



O.R. TAMBO DISTRICT MUNICIPALITY

**O.R. TAMBO DISTRICT MUNICIPALITY
2017/18 ANNUAL REPORT**

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VOLUME I

CHAPETR 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

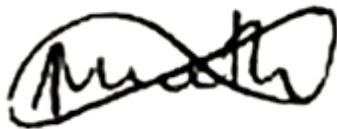
The 2017/2018 financial year has ended and this has been the second year to carry the mandate given by the people of OR Tambo district municipality in leading the developmental agenda of 2017/2022 term. In pursuant of the people’s mandate, it is my honour to present to the Municipal Council and to the people of the District, the Annual Report for the 2017/2018 financial year, which is an account of what has been delivered against the set targets in the Service Delivery and Budget Implementation Plan (SDBIP).

The report is an attestation of the collective efforts of both the political and administrative leadership in ensuring that we serve the people of the region with humility. I am proud to report to the council and the people of ORTDM that once more OR Tambo district had successfully spent its grants including the Municipal Infrastructure Grant (MIG), the Regional Bulk Infrastructure Grant (RBIG) and Water Services Infrastructure Grant. This demonstrates commitment in delivering basic services as these grants are meant to render the services.

The district municipality is striving hard to instilling good governance and strengthening financial management. Over the year it made commitments to clean its books dating back from 2012/2013; specifically irregular expenditure incurred over the years in line with the recommendations of both the National Treasury and The Auditor General South Africa. The municipality took a bold step of mandating the Municipal Public Account Committee (MPAC) to investigate the transactions of irregular expenditure in order to report back to Council and ensure that where there is value for money these can be condoned. The work regarding that is underway, taking all the required processes as required by the legislation.

As I present this report, I wish to note the performance improvement recorded over the year. The overall institutional performance for the financial year has improved from the 73% of the 2016/2017 financial year to 79% on the SDBIP set targets. The sound political administrative dichotomy is yielding better results and taking the municipality forward. It needs to be further noted that as we improve services in line with our strategic agenda of long term provision of water to the communities, slowly but surely the district is able to connect communities with potable water supply. During the year 26 532 people have been served with potable water supply through the completed projects. The programmes yielded to 44 SMME’s benefited by subcontracting and this further created 250 job opportunities to the locals. Whilst in the implementation of dry sanitation 68 work opportunities were created and further 221 jobs were created in the waste recycling programme.

As the Executive Mayor of the O. R. Tambo District Municipality, together with the Municipal Council and the Municipal administration, we commit to ensure that the vision of a “Prosperous, Vibrant, Innovative and People-Centred District” is realized and that people of O. R. Tambo continue to receive services in a sustainable manner.



Cllr N. Meth
Executive Mayor

COMPONENT B: EXECUTIVE SUMMARY

This report presents the O.R. Tambo District Municipality's draft annual report for the financial year 2017/2018. This report is also in compliance with the National Treasury Circular 63 guidelines. It is submitted in line with the objectives, indicators and targets as set out in the 2017 - 2022 approved Integrated Development Plan aligned with the approved budget 3 year MTRF, both of which are informed the quarterly performance targets set out in the Service Delivery and Budget Implementation Plan (SDBIP). The annual report is tabled as per the five (5) Local Governments Key Performance Indicators as follows (not in the order of priority):-

- a) Basic Service Delivery and Infrastructure Development
- b) Local Economic Development
- c) Financial Viability and Management
- d) Good Governance and Public Participation
- e) Municipal Transformation and Institutional Development

It depicts the level of achievement of the set targets from the period 1 July 2017 to 30 June 2018. It also reflects explanations on deviations where the institution has not met the set targets as well as corrective measures to be implemented, going forward

1.1 Municipal Manager's Overview

For the year under review, the municipality had set some targets at strategic level that include the focus on implementation of the institutional organogram in order to stabilize operations and sustain sound financial management. The institution has been demonstrating some improvements in spending of the allocated grants to accelerate service delivery. Moreover, the Municipality has implemented strategies to improve its performance for the financial year.

In an effort to attain these set objectives, the leadership of the institution at both political and administrative level joined forces in fulfilling these commitments. As such, some positive results are yielded which are reflected in this report. It had made strides in implementing the organizational structure and this includes the placement of staff, internal and external recruitment processes as well as job evaluation across the entire District. The implementation of the organizational structure is one of the important break-through milestones in the district as this had been at standstill for five years due to labour disputes. Through the implementation of the organizational structure, the institution continues to mobilize and acquire the necessary skills that will assist in shaping its agenda as well as improving the performance. Over the year, efforts were made to fill the Senior Management positions that were vacant due to

resignations and expiration of contracts. Towards the end of the financial year, one Senior Manager (Director Water and Sanitation) assumed duties whilst four Senior Management positions were at the stage of selection process (i.e. Director Human Settlements, Technical Services, Internal Audit and Executive Mayoral Services). With regards to the expenditure of grants, the municipality continued to fully spend the MIG and RBIG grant allocations for the financial year. Previously, the municipality experienced strained relations with National and Provincial Departments of Treasury and Cooperative Governance and Traditional Affairs concerning grant spending, however, the municipality has managed to foster cordial relations with these departments. Furthermore, the municipality has implemented an improved Performance Management System, which has resulted into credible Portfolio of Evidence which supports grant spending.

1.2 Municipal Functions, Population and Environmental Overview

1.2.1 Municipal Functions

Table 1: Municipal Powers and Functions

	O.R. Tambo	KSD	Nyandeni	Ingquza Hill	Mhlontlo	PSJ
Water	Yes	No	No	No	No	No
Sanitation	Yes	No	No	No	No	No
Municipal Health	Yes	No	No	No	No	No
Electricity Reticulation	No	Yes	Yes	Yes	Yes	Yes
Air pollution	-	Yes	Yes	Yes	Yes	Yes
Building regulation	-	Yes	Yes	Yes	Yes	Yes
Child care facilities	-	Yes	Yes	Yes	Yes	Yes
Fire fighting	Yes	Yes	Yes	Yes	Yes	Yes
Local Tourism	Yes	Yes	Yes	Yes	Yes	Yes
Municipal Airports	Yes	Yes	Yes	Yes	Yes	Yes
Municipal Planning	Yes	Yes	Yes	Yes	Yes	Yes
Public Transport	Yes	Yes	Yes	Yes	Yes	Yes
Pontoons and ferries	-	Yes	Yes	Yes	Yes	Yes
Disaster Management	Yes	No	No	No	No	No
Storm water	-	Yes	Yes	Yes	Yes	Yes
Trading regulation	-	Yes	Yes	Yes	Yes	Yes
Beaches and amusement facilities	-	Yes	Yes	Yes	Yes	Yes
Billboards and advertisements	-	Yes	Yes	Yes	Yes	Yes
Cemeteries, parlours and crematoria	-	Yes	Yes	Yes	Yes	Yes

	O.R. Tambo	KSD	Nyandeni	Ingquza Hill	Mhlontlo	PSJ
Cleansing	-	Yes	Yes	Yes	Yes	Yes
Traffic packing	-	Yes	Yes	Yes	Yes	Yes
Street lighting	-	Yes	Yes	Yes	Yes	Yes
Street trading	-	Yes	Yes	Yes	Yes	Yes
Refuse removal dumps and solid waste disposal	-	Yes	Yes	Yes	Yes	Yes
Public places	-	Yes	Yes	Yes	Yes	Yes

1.2.2 Population Overview

Population statistics is important when analysing an economy, as the population growth directly and indirectly affects employment and unemployment, as well as other economic indicators such as economic growth and per capita income.

IHS Global Insight, 2016 revealed that the population in the Eastern Cape is estimated at 7 010 000 which is the third highest in the country, following Gauteng and Kwa-Zulu Natal. The O.R. Tambo DM accounts for 1 472 366 people, the highest in the entire Eastern Cape. Local Municipalities with the largest populations are King Sabata Dalindyebo (KSD), followed by Nyandeni and Ingquza Hill.

ORTDM housed 2.6% of the total South African population in 2016. Between 2011 and 2016, the population grew by 6.7%, approximately the same as the provincial growth rate of 6.6% in the same period. Ingquza Hill Local Municipality and KSD Local Municipality recorded the largest population growth rates of 8.9% and 8.1% respectively, between 2011 and 2016.

1.2.2.1 Population density

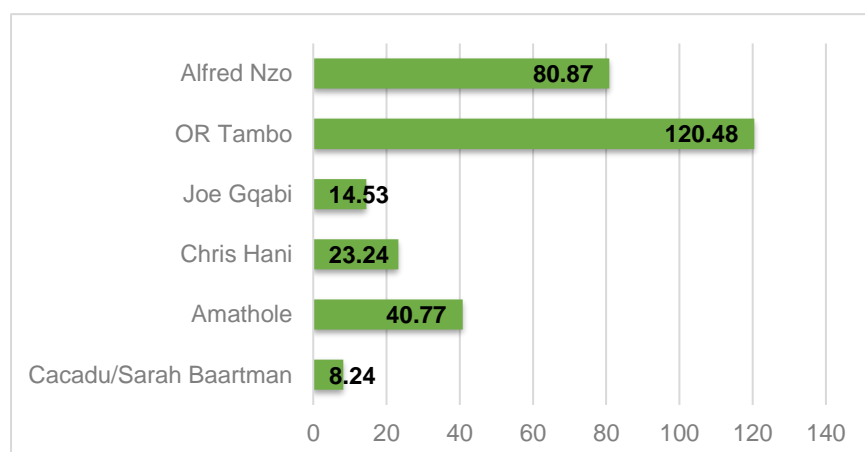
In 2016, there were 120 persons per square kilometre living in the ORTDM. Compared (to the other District Municipalities), ignoring metropolitan municipalities, the ORTDM is more densely populated.

Using population density instead of the actual number provides a basis between these different places (or economies). ORDM is relatively densely populated compared to most rural municipalities. The higher density has an impact on household infrastructure provision, quality of services and access to resources (medical care, schools, sewage treatment, community centres, etc.).

The population density of the various municipalities in the ORTDM is higher than provincial average of 40 people per square kilometre for all the LMs. King Sabata Dalindyebo is the most densely populated

Figure 1 below demonstrates the number of people per kilometre across the six districts in the Eastern Cape Province.

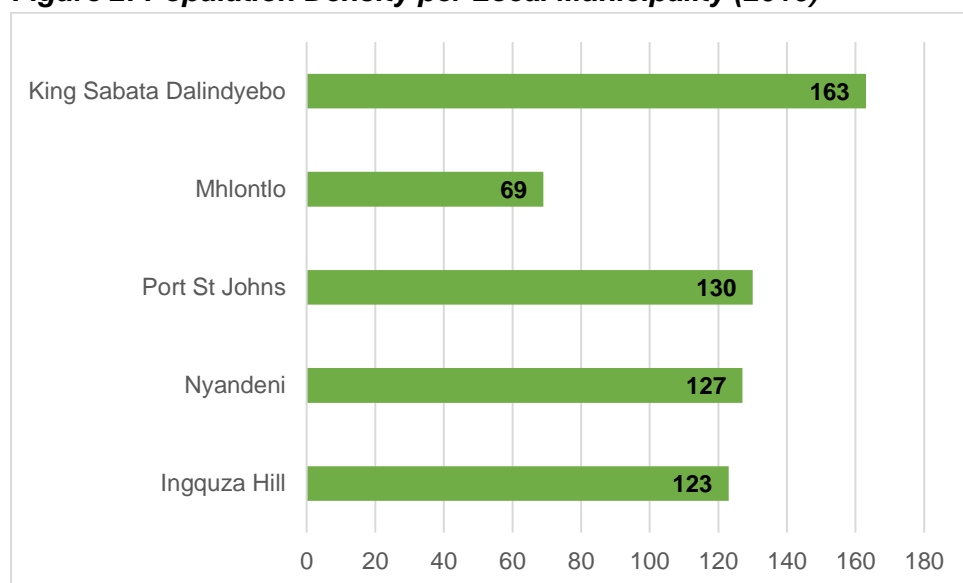
Figure 1: Population Density per District Municipality 2016 (Number of People per Km²)



Source: Community Survey, 2016

Figure 2 demonstrates the population density per Local Municipality within ORTDM

Figure 2: Population Density per Local Municipality (2016)



Source: IHS, Global Insight, 2017

Table 2 demonstrates the Population, area size and population density per LM, ORTDM and the EC Province.

Table 2: Population, Area Size and Population Density per Local Municipality

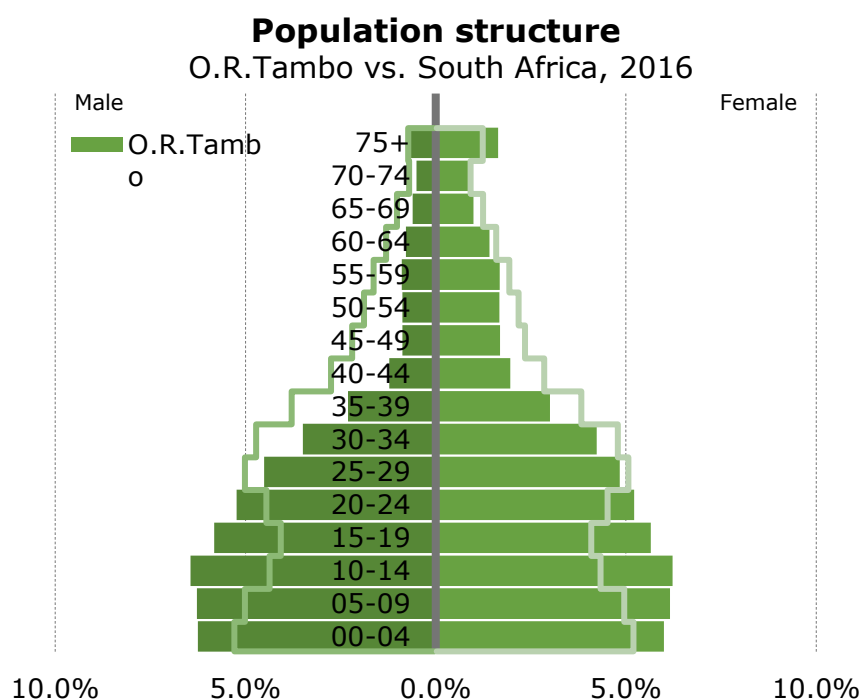
	2011			2016		
	Pop	Area (km ²)	Pop Density (pp/km ²)	Pop	Area (km ²)	Pop Density (pp/km ²)
Ingquza Hill	278 481	2 476.83	112	304 000	2 477	123

	2011			2016		
Nyandeni	290 390	2 474.01	117	313 000	2 474	127
PSJ	156 136	1 291.20	121	168 000	1 291	130
Mhlontlo	188 226	2 826.09	66	194 000	2 826	69
KSD	451 710	3 027.37	149	494 000	3 027	163
O.R. Tambo	1 366 045	12 095.1	113	1 472 366	12 096	122
Eastern Cape	6 562 053	168 966	39	7 010 000	168 966	41

Source: IHS, Global Insight, 2017

Figure 3 indicates the population structure of ORTDM against South Africa according to gender.

Figure 3: Population Pyramid- O.R. Tambo vs South Africa, 2016



Source: IHS, Global Insight, 2017

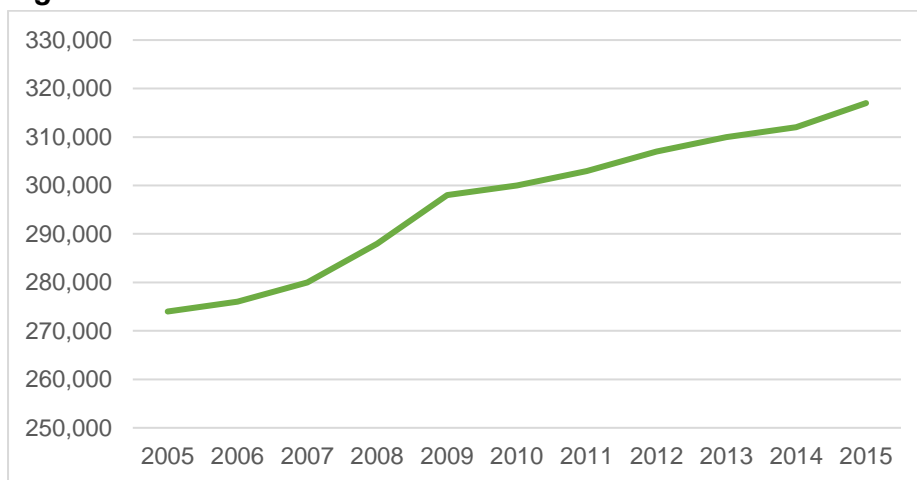
1.2.2.2 Households

The following table and figure illustrates household growth per LM within ORTDM

Table 3: Number and Size of Households per Local Municipality

	2011		2016	
	Number of households	Average number of people per household	Number of households	Average number of people per household
Ingquza Hill	56 213	4.7	60 700	5
Nyandeni	61 647	4.6	66 300	4.7
Port St Johns	31 715	4.5	33 600	5
Mhlontlo	44 080	4.1	44 600	4.2
King Sabata Dalindyebo	104 878	4.0	117 000	4.2
O.R. Tambo	298 229	4.3	322 000	4.5
Eastern Cape	168 785	3.9	1 790 000	3.9

IHS, Global Insight, 2017

Figure 4: Households Growth 2005-2015

Source: IHS, Global Insight, 2015

Table 3 indicates that between 2011 and 2016, the household size of the five (5) LMs in the O.R. Tambo District, as well as the O.R. Tambo District itself, grew at a faster rate than that of the province, while Mhlontlo LM increased by 520 households. KSD LM and Ingquza Hill LM had the highest increase; 12 122 and 4 487 households respectively.

These figures could suggest that the increase in households, could be due to one or more of the following:

- migration of people within the province;
- births; and
- Family members moving back to the District.

1.2.2.3 Socio Economic Status

The dependency ratio is the ratio between the number of dependents, aged 0-14 years and those over the age of 65 years, to the total population aged

15-64. the high number of children in the District leads to high levels of dependency. In 2016, 38.95% of the population in the O.R. Tambo region was between the ages 0-14 and 6.47% older than 65 years. In the same year the population group in the region that could be economically active (15-64 years) was at 54.58% compared to 56.8% of the province as a whole. This is evident in the Local Municipalities (LMS), with the exception of KSDLM being higher than the provincial figure. In 2016, Port St Johns and Ingquza Hill recorded the highest dependency ratios.

Table 4 illustrates the changes in dependency between 2011 and 2016.

Table 4: Dependency Ratios per Local Municipality

	2011 (%)	2016 (%)
Ingquza Hill	91.6	89.4
Nyandeni	85.2	82.4
Port St Johns	92.9	90.1
Mhlontlo	83.7	81.6
King Sabata Dalindyebo	66.8	61.8
O.R. Tambo	80.5	76.9
Eastern Cape	65.9	67.9

Community Survey, 2016

1.2.2.4 HIV/AIDS Estimates

HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. ARV treatment can also prolong the lifespan of people that are HIV+. In the absence of any treatment, people diagnosed with HIV quickly reach the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely.

Table 5 and Figure 5 illustrates the estimated HIV prevalence and AIDS death over the period 2011-2016

Table 5: HIV Estimates and Aids Estimated Deaths per Local Municipality (2011-2016)

	HIV Estimates						AIDS Death Estimates					
	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016
Ingquza Hill	27 874	28 293	29 313	30 304	31 723	32 263	957	-	800	694	689	606
Nyandeni	29 773	30 243	31 362	32 460	33 542	34 657	1 025	1 077	860	747	744	655
Port St Johns	15 091	15 294	15 822	16 335	16 838	17 355	521	545	433	374	371	326
Mhlontlo	19 677	19 753	20 277	20 804	21 339	21 915	701	729	575	495	490	429
King Sabata Dalindyebo	52 053	53 059	55 209	57 325	59 420	61 564	1 772	1 874	1 501	1 311	1 314	1 157
O.R. Tambo	144 468	146 642	151 982	157 229	162 412	167 755	4 956	5 228	4 169	3 621	3 608	3 173
Eastern Cape	677 459	692 851	713 912	738 076	762 249	787 626	24 074	25 588	20 271	17 642	17 641	15 473
South Africa	5 961 844	5 767 427	5 88 632	6 014 312	6 140 143	6 285 493	216 018	229 481	181 388	159 681	159 415	136 708

Source: IHS Global Insight, 2017

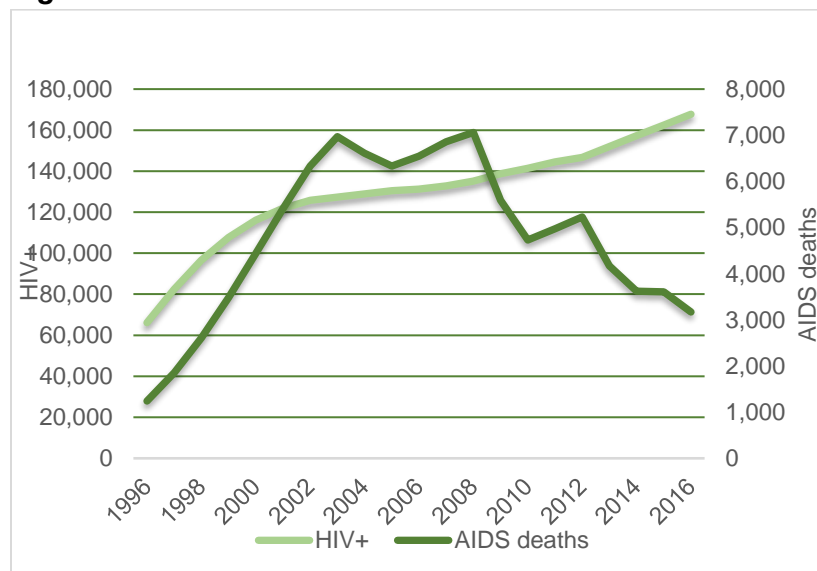
In 2016, 167 755 people in O.R. Tambo District Municipality were infected with HIV. Between 2011 and 2016 the number of people infected, increased at an average rate of 2.5% per annum. By 2016, 11.1% of the O.R. Tambo District Municipality population was infected with HIV.

In 2016, South Africa had a total of 6 285 493 people who were HIV+. Between 2011 and 2016, this increased at an average rate of 2.9 rate per annum. The Eastern Cape had a similar profile with 11.3% of the population being HIV+, but growing at a faster rate of 2.5% per annum.

The average per annum growth in the number of HIV+ people in O.R. Tambo District Municipality, is similar to that of the province, at 2.5%, but has a lower percentage (11.1%), of people living with the disease. The local municipality affected the worst is the King Sabata Dalindyebo Local Municipality, where the HIV+ incidence grew at a rate of 2.8% per annum from 2011 to 2016.

In 2016, 3 173 people lived with AIDS, the next stage of the HIV disease, lived in the ORTDM. On reaching the final stage(s) of the disease, recovery is highly unlikely for the majority of people. It is therefore, significant and worth mentioning when reaching the final stage of the disease, recovery is very unlikely and most of them will not live much longer. The number of people living with AIDS decreased at a rate of 5.4% annually between 2011 and 2016, and in 2016 represented 0.22% of the total ORTDM Tambo District

Figure 5: HIV+/Aids Profile Oliver Tambo District 2016



1.2.3 Environmental Overview

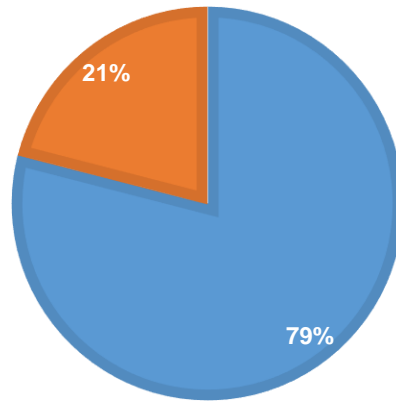
Overview of neighbourhoods within O.R. Tambo DM		
Settlement Type	Households	Population
Towns		
Mthatha		
Mqanduli		
Port St Johns		
Libode		
Ngqeleni		
Tsolo		
Qumbu		
Flagstaff		
Lusikisiki		
Subtotal: 9		
Townships		
Subtotal		
Rural Settlements		
Subtotal		
Informal settlements		
Subtotal		

1.3 Service Delivery Overview

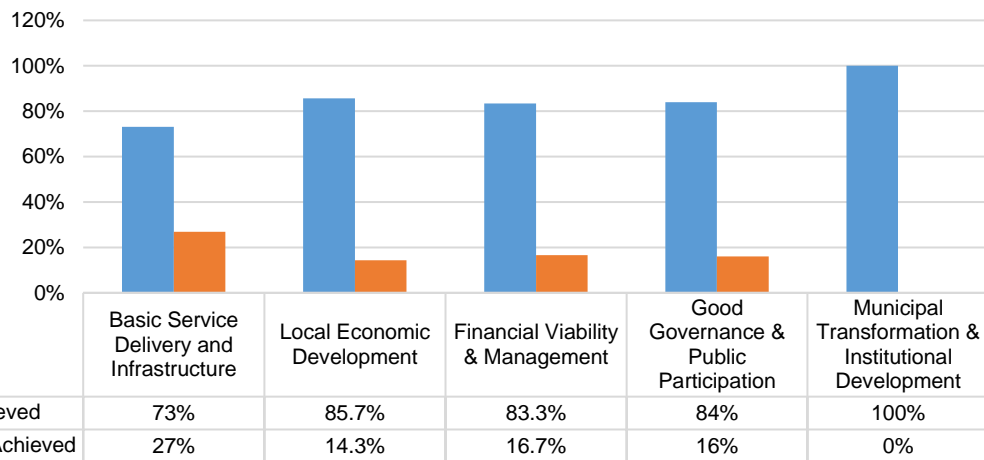
During the financial year under review the Municipality has done well as compared to other financial years in terms of performance. The Municipality had set 138 targets across all the Key Performance Areas, of which 109 are reported to be achieved with 29 not achieved. This brings the overall institutional performance to 79% for the 2017/2018 financial year. The performance shows an improvement from the 2016 /2017 financial year of 6.27% which was 72.73%. The charts below give details of performance in the municipality including performance per key performance area as well as per department.

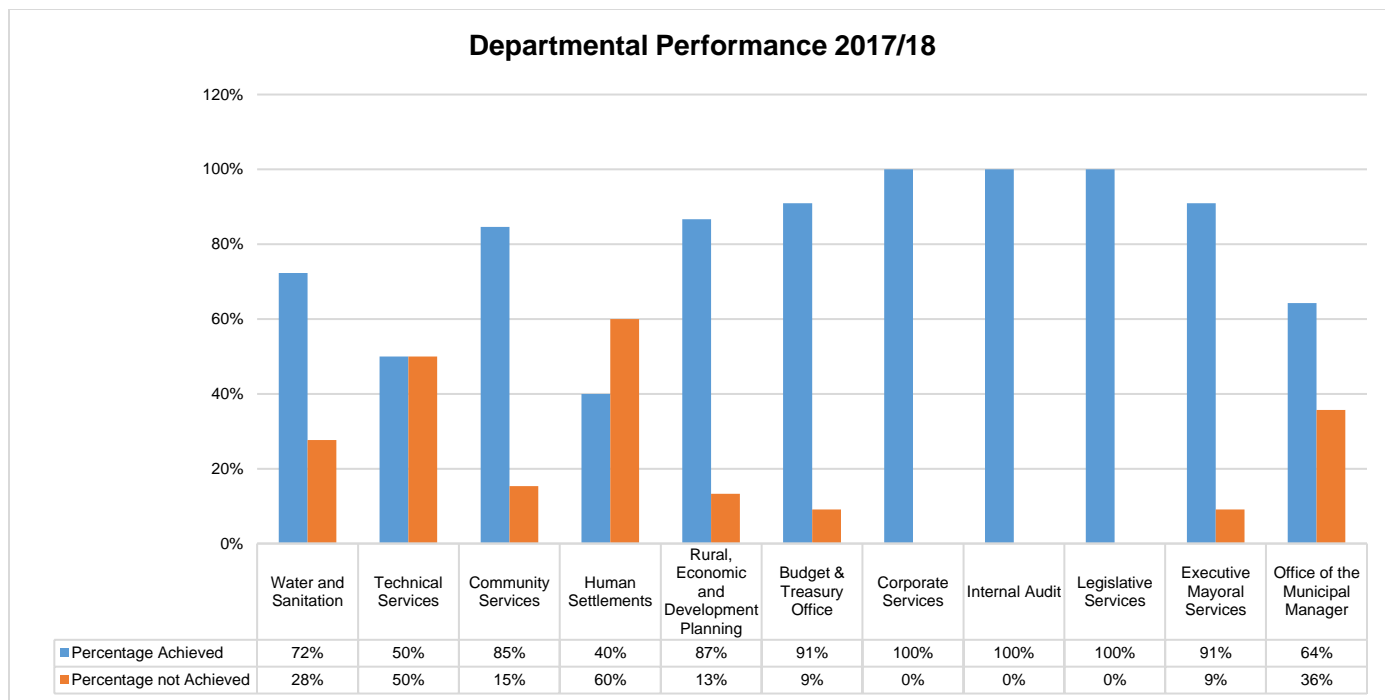
Institutional Performance

■ Achieved ■ Not achieved

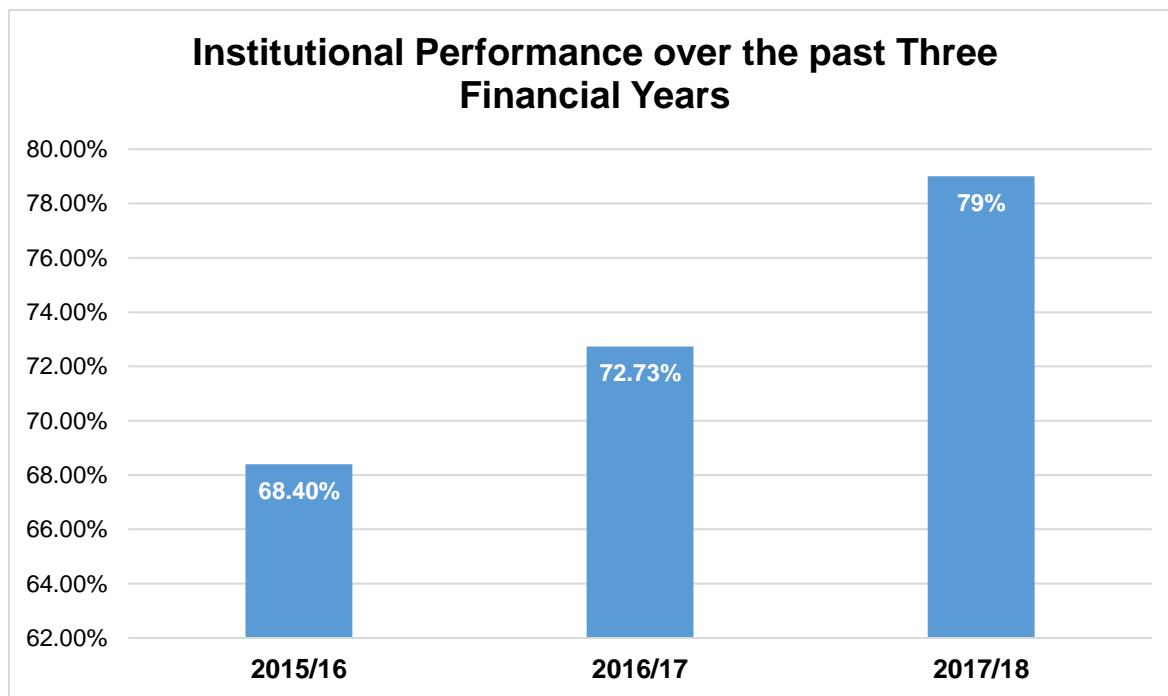


Institutional Performance per KPA 2017/18





The District continues to improve its performance each financial year through improving institutional processes, employment of skilled personnel in key positions and capacitation of employees. The chart below demonstrates the performance of the District over the past 3 years.



To ensure that the set targets will be achieved, the ORTDM identified key top ten risks areas at a strategic and operational level; these were formed part of its annual risk plan. The plan was being

monitored and on a quarterly basis risk management unit continued to report to the Management and the Accounting Officer on how these areas were addressed.

Moreover, for the year under review the District Municipality had made some improvements in terms of its core function: water services. A number of projects for water and sanitation have been completed and this resulted to the reduction of backlog. Over the year, 26532 number of people have been served with water and 4502 with sanitation services (Ventilated Improvement Pit). Subsequent to these services, the District completed the Lusikisiki Waste Water resulting to the connection of major institutions such as Police and business areas to the system. It further started Libode Waste Treatment Works as part of its long term intention to provide the small towns with descent sanitation services.

1.4 Financial Health Overview

The District continues to be in a strong financial position underpinned by improvement in collection rate. Despite the current economic climate, the District managed to acquire R50.9 million in investments. It further improved in grant expenditure as it spent 100% of its grant.

It must be noted that ORTDM is a non-delegated municipality and as such, its budget and plan is assessed by National Treasury. Over the year under review, National Treasury commended the District's budget as cash funded, credible and aligned to the strategic plan.

1.5 Organisational Development Overview

During the previous year, the Institution established an HRD unit that has been fully functional in the year under review. Various initiatives have been implemented which include the training and development of internal staff and communities, internship, experiential learning as well as skills development. A total of 178 employees were provided with study assistance whilst 142 were enrolled in various skills programme or short courses. Moreover, ORTDM continued to provide study assistance to the needy students in various universities. A total of 66 students have been supported whilst the District made an extra mile to coordinate and support students for enrolment in National Student Finance Aid Scheme (NSFAS). The District further provided 55 internships, 131 learnership and experiential training to children from within the District.

Over the year, the District has established its HRD Council, which seeks to address long-term skills in the region as well as embrace the National and Provincial strategic skills programmes. The HRD Council has started its inception work, mobilising the necessary stakeholders towards addressing the skills gap for economic development. Again, the District had forged partnerships with the local universities such as Walter Sisulu University (WSU), University of Fort Hare (UFH), Nelson Mandela University and Technical and Vocational Education and Training (TVET) colleges for skills development and training. This has been intended to fully utilise the local institutions of higher learning and minimise travel costs.

Over the year, the District continued to implement its organisational structure through recruitment processes. It has been stable in terms of its Senior Management/Section 54 and 57 Managers. Out of 11 Senior Managers, 9 are in place whilst the remaining 2 are in the processes of recruitment and these were vacated through resignations. The lower level posts have also been prioritised and as such the vacancy rate reduced to 43%. It must be noted that an operational walk through of the organisation will be conducted and the structure will be reviewed.

1.6 Auditor General Report

During the 2016/17 financial year, the Municipality received a Qualified Audit Opinion from the AGSA with only one qualification item. The qualification item was the Irregular Expenditure (completeness of irregular expenditure register). Qualification is based on the fact that the AG audited submitted schedule of Irregular Expenditure and found that there were some items of expenditure that were supposed to be in the schedule that were not included in the schedule.

AG then gave the Municipality an opportunity to adjust the schedule. After the schedule was resubmitted, AG found out that there were still items that were not included in the schedule; hence, the Municipality received a qualified audit opinion. The main issue was the transaction not included in the schedule as the Municipality deemed to be procured within the ambits of the SCM Regulations but the AG felt that they did not meet the requirements of Regulation 32, hence had to be recorded as irregular expenditure. The following are the key reasons for the irregular expenditure:

- Included in this Irregular Expenditure are the contracts that were awarded in 2011/12 financial year and they are long term in nature e.g. Amatola Water which was presidential intervention project and swift travel and tours.
- From 2014/15 backwards the Municipality did not have appointed Senior Manager's (most of the Senior Managers were acting) i.e. the control environment was not matured (weak).
- Non-compliance to SCM Regulations and Legislation.
- The relocation of the Municipal Offices (Budget and Treasury Department) from Old Government Printers to the new Myezo Building; in this process some of the procurement documents were lost.
- Incorrect application of Regulation 32.

Despite the Municipality having not received the unqualified audit outcome or clean audit in the 2016/17 financial year. The Municipality still improved compared in the previous financial years considering that there was only one qualification item which was only the completeness of irregular expenditure.

1.5.1 Steps Taken to Correct the Situation (Improve Audit Outcomes)

- The Municipality developed Management Audit Action Plan having implemented 53% of the actions and 44% targeted to be implemented during the Annual Financial Statements and Annual Performance Report preparation;

- Management resolved to stop the use of Regulation 32 Contracts;
- The Municipality is up to speed on procuring term contracts i.e. this will assist to stop the use of Regulation 32 contracts;
- The Municipality is currently utilising Treasury's Centralised Supplier Database to service providers compliance matters;
- Enforcement of SCM Regulations and those found responsible for the breach of regulations to be held accountable (Implementation of consequence management); and
- Enforce implementation of Irregular, Unauthorised, Fruitless and Wasteful Expenditure Policy.

Furthermore; 2016/17 financial year the Municipality took giant strides on dealing with the Unauthorised; Irregular and Fruitless and Wasteful Expenditure, as the following have been performed:

Through Section 32 Ad hoc Committee; the Council successful investigated and wrote-off Unauthorised, Irregular and Fruitless and Wasteful Expenditure amounting to R4 827 147 173 made of the following:

- Unauthorised expenditure R2 277 804 145.
- Fruitless and Wasteful Expenditure R8 544 810.
- Irregular Expenditure R2 540 798 218.

It is worth sharing that the above unauthorized, irregular, fruitless and wasteful expenditure is an accumulated expenditure that dates as far back as 2015/16 to 2011/12 financial years which could not be completely investigated and is composed as follows:

Unauthorised Expenditure

- The R875 646 922 unauthorised expenditure investigated and written-off is for the four-year period i.e. 2012/13 to 2015/16.
- The unauthorised expenditure amounting to R 1 402 157 223.00 relating to 2011/12 financial year.

Irregular Expenditure

- 2015/16 financial year Irregular expenditure amounted to R615, 834, 005;
- 2014/15 financial year irregular expenditure amounted to R588, 822,707.23;
- 2013/14 financial year Irregular expenditure amounted to R384, 212,372.40;
- 2012/13 financial year irregular expenditure amounted to R503, 534,490.45;
- Amatola Water Board Irregular expenditure incurred in 2016/17 financial year amounted to R 204 909 596.73;
- Irregular expenditure contracts running to 2016-17 amounted to R 119 709 409.49 i.e. these are the contracts that are long term and were appointed in the previous financial years; and
- Additional Irregular Expenditure from 2013 to 2016 amounted to R 150 460 636.84.

Fruitless and Wasteful Expenditure

- 2015/16 financial year fruitless and wasteful expenditure amounted to R5 906 270;
- Fruitless and wasteful expenditure amounting R24 246 870 relates to previous financial years i.e. 2014/15 backwards.

After the investigation, there was a remaining Unauthorised, Irregular, Fruitless and Wasteful expenditure amounting to R2 244 538 383 made of the following:

- Unauthorised expenditure R1 005 909.
- Fruitless and Wasteful Expenditure R21 608 330.
- Irregular Expenditure R2 221 924 144.

However, the Municipality is currently investigating the remaining expenditure through use of Municipal Public Accounts Committee (MPAC); as resolved on the Council meeting held on 28 March 2018. An MPAC progress report on investigation of Irregular Expenditure has been since submitted to the Council on its Special Council meeting held on 30 June 2018; where some historic Irregular Expenditure amounting to R97 864 105.01 was written-off which relates to Amatola Water.

1.7 Statutory Annual Report Process

No	Activity	Timeframe
1	Consideration of next year's financial Budget and IDP Process Plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure the reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In year financial reporting)	
3.	Finalise the 4 th quarter report for previous year	
4.	Submit draft year 2017/18 Annual Report	
5.	Municipal entities submit draft annual reports to MM	
6.	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
7	Mayor tables the unaudited Annual Report	
8.	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
9.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	September-October
10.	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance Data	

No	Activity	Timeframe
11.	Municipalities receive and start to address the Auditor General's comments	November
12	Mayor tables Annual Report and audited and audited financial statements to Council, complete with the Auditor General's Report	
13	Audited Annual Report is made public and representation is invited	
14	Oversight committee assesses Annual Report	
15	Council adopts oversight report	December
16	Oversight report is made public	
17	Oversight report is submitted to relevant provincial councils	
17	Commencement of draft Budget/IDP finalization for next financial year. Annual Report and Oversight Report to be used as input	January

CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 Introduction to Political Governance

The O.R. Tambo District Municipality Council's primary role is that of political oversight of the municipality's functions, programmes and the management of the administration. All of the powers of local government are vested in the municipal council. The council has the power to make by-laws (legislative authority) and the powers to put those laws into effect (executive authority). The Council of O.R. Tambo adopted a Separation of Powers governance model, with the executive arm of council led by the Executive Mayor and the legislative arm of council led by the Speaker.

The legislative arm of council is constituted of committees established in line with the provisions of Section 79 of the Municipal Structures Act, No. 117 of 1998, as Section 79 Standing Committees and Section 79 Portfolio Committees. The Section 79 Standing Committees play an important role in ensuring good governance, accountability and public participation. The Section 79 Portfolio Committees are established in line with the municipal departments to play an oversight role over the performance of the departments as to improve service delivery related matters. The O.R. Tambo District Municipality council has executive and legislative authority over the matters set out in Part B of schedule 4 and Schedule 5 of the Constitution. In administering the matters assigned to local government, the municipal council strives within its capacity to achieve the Constitutional objects of local government.

The new council for the term 2016\2021 was inaugurated during its First Council Meeting held on 24 August 2016, wherein the Speaker, Cllr X. Nkompela, the Executive Mayor, Cllr N. Meth and the Chief Whip, Cllr T. Sokanyile were elected. In the same meeting, the Deputy Executive Mayor Cllr R.Z. Nogumla was appointed by the Executive Mayor. The Speaker was delegated by the council to appoint Section 79 Committee Chairpersons and members as per the Municipal Oversight Model adopted by council on 30 September 2015. The new council was inducted on 29 August to 01 September 2016 followed by the Section 79 Committee Workshop conducted on 5 September 2016 to 6 September 2016. During the 2017\18 financial year, the Council successfully held seven (7) Council meetings, one open council meeting outside the chamber, the Inauguration of the Executive Mayor, four Special Council Meetings and two Ordinary Council meetings in terms of Section 29 of Local Government: Municipal Structures Act, No. 117 of 1998, and all of these meetings were publicized to enhance accessibility to the public.

The core mandate of the Legislative Arm of Council is focused on five themes:

- Accountability, Oversight and Scrutiny
- Strengthen capacity of the Legislative Arm of Council
- Public Participation to safeguard local democratic processes
- Monitoring and evaluation, and

- Sound Financial Management.

2.1.1 High Level Overview: Department of Legislative Services

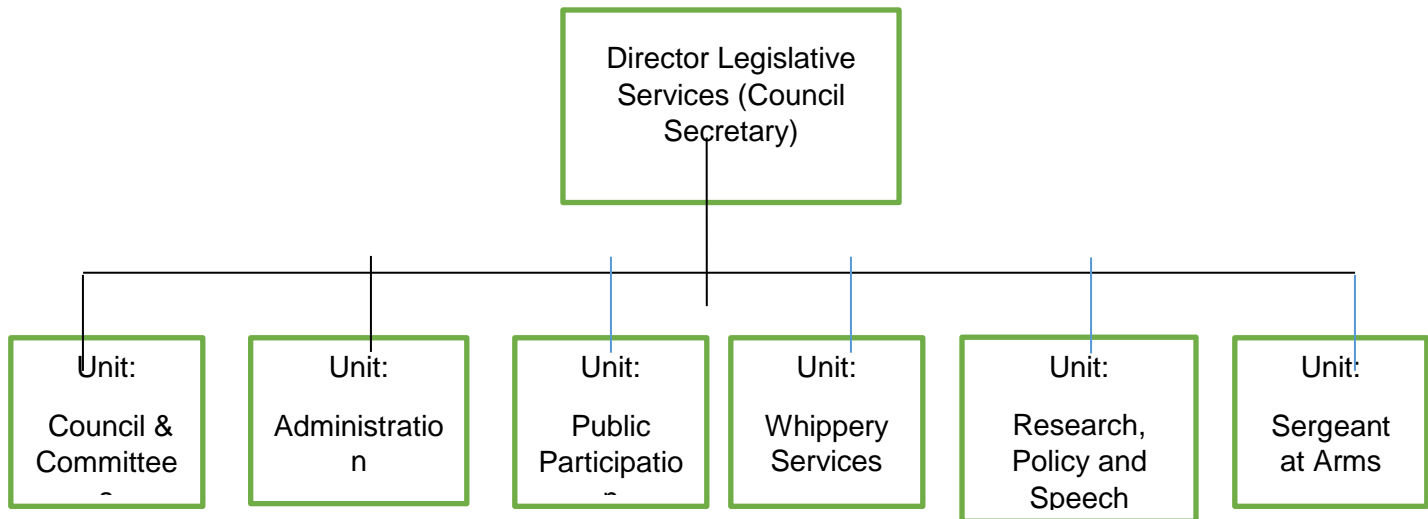


Figure 1: Organisational Structure- Legislative Services

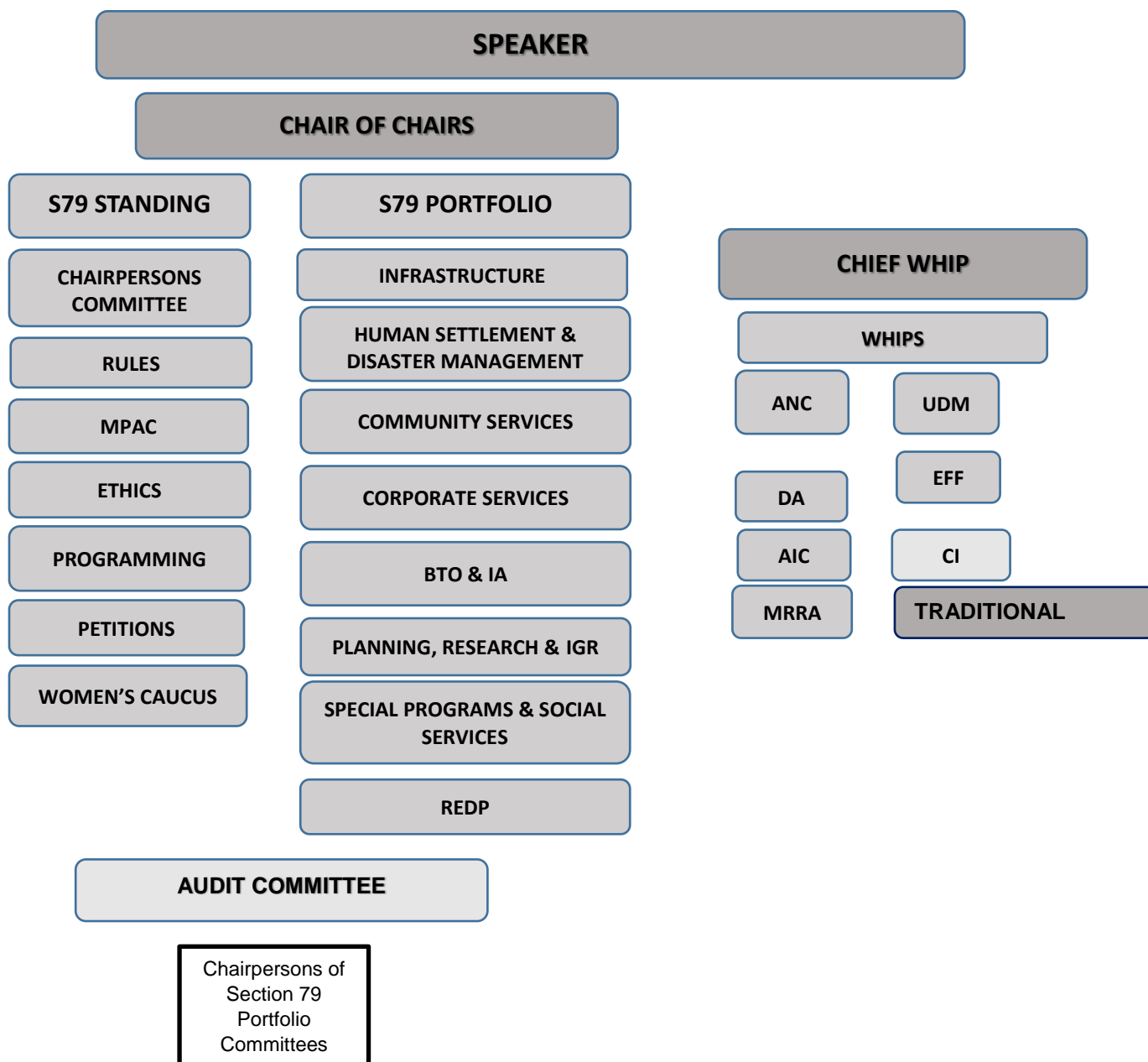


Figure 2: O.R. Tambo District Municipality Political Structure

2.1.2 Council Composition

In terms of Section 12 Notice of Local Government: Municipal Structures Act No. 117 of 1998, O.R. Tambo is a category C municipality, which consists of **59** Councillors representing various political parties as shown in the table below:

Table 1: O.R. Tambo District Municipality Composition of Council

Party	Total No. of Cllrs	Part-Time Cllrs	Full-Time Cllrs	Number of Female Cllrs
	59	35	24	28
ANC	45	27	18	26
UDM	05	3	2	1
DA	4	3	2	-
EFF	2	1	1	1
AIC	1	-	1	-
CI	1	-	1	-
MRRA	1	1	-	-

Table 2: O.R. Tambo District Municipality Local Municipal Councillors

Local Municipality	No. of Councillors	No. of Males	No. of Females
King Sabata Dalindyebo (KSD)	12	6	6
Nyandeni	7	1	6
Port St John's	4	1	3
Ingquza Hill	7	3	4
Mhlontlo	5	3	2

2.1.3 Councillor Replacements and Resignations in 2017\18

1. In October 2017, Cllr Gqetywa from Nyandeni Local Municipality replaced Cllr Nonkothamo who tendered resignation in July 2017.
2. In October 2017, Cllr Mchithakali from Nyandeni LM replaced Cllr Kupelo who passed on in May 2017.
3. In March 2018, Cllr Mjoji as the O.R. Tambo District Municipality Rep replaced Cllr Mvango who passed on in February 2018.
4. In May 2018, Cllr Rolobile from PSJ LM replaced Cllr Mfiki who tendered resignation in March 2018.
5. In December 2017, Nkosi Ranuga from Mhlontlo LM replaced Nkosi Tyali who tendered resignation in September 2017.

2.1.4. Political Decision Making

In the with the Separation of Powers Governance Model, adopted by council in September 2013, the council on the 30th September 2015, adopted a Municipal Oversight Model (MoM) for strengthening the functionality of the Section 79 Portfolio Committees of council established to play an oversight role. The council adopted the Reviewed Council Standing Orders in line with

the afore stated governance frameworks on the 07 December 2017.

2.1.5. Governance Framework: Separation of Powers Model (SOP) & Municipal Oversight Model (Mom)

In the with the Separation of Powers Governance Model, adopted by council in September 2013, the council on the 30th September 2015, adopted a Municipal Oversight Model (MoM) for strengthening the functionality of the Section 79 Portfolio Committees of council established to play an oversight role. The council adopted the council standing orders in line with the afore stated governance frameworks on the 07 December 2017.

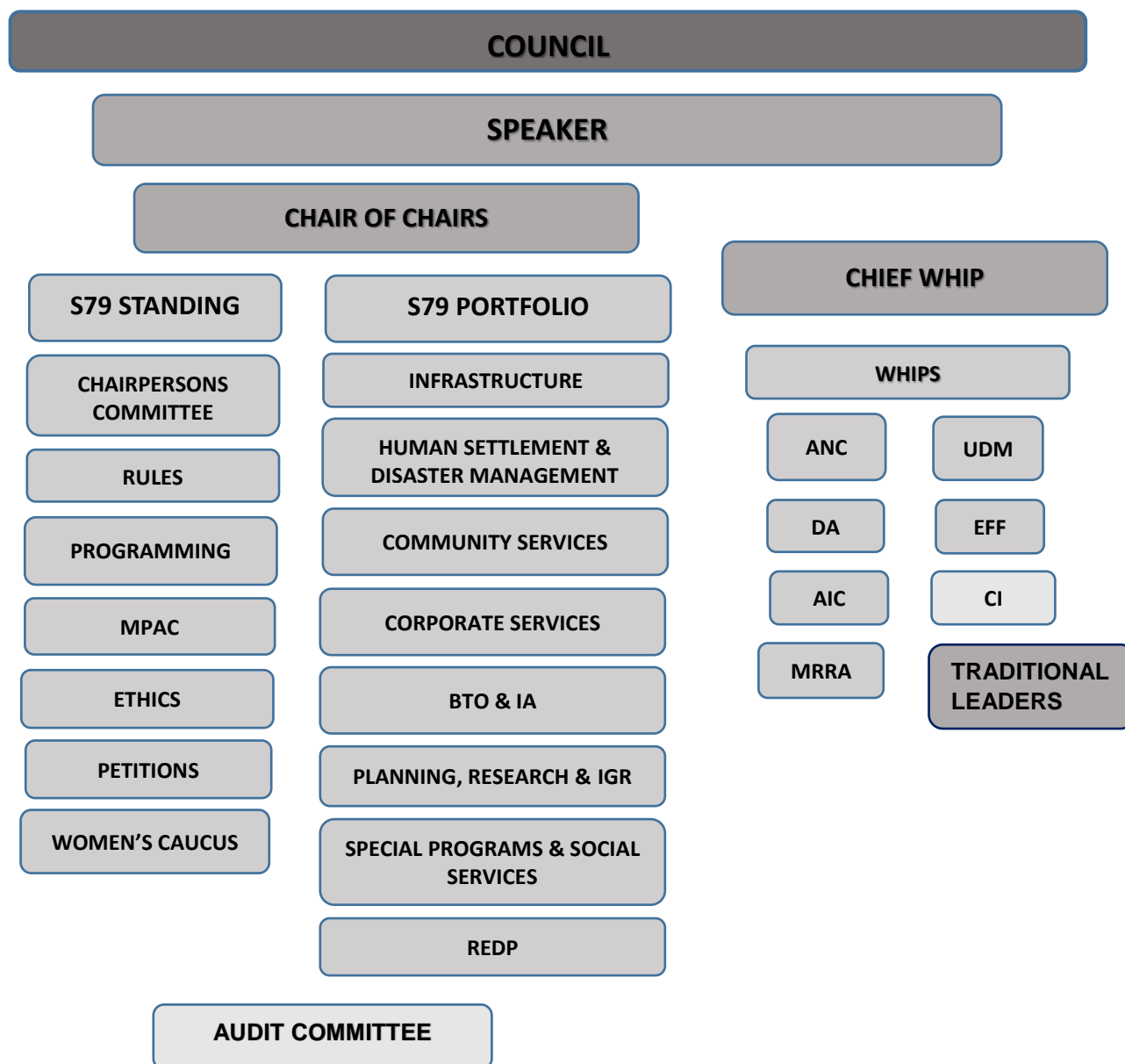
2.1.5.1. Petitions & Public Participation Committee

The Petitions & Public Participation committee is constituted in terms of Section 79 of the Municipal Structures Act 117 of 1998 as a Section 79 Standing Committee of the Council of O.R. Tambo District Municipality. The main objectives of the Petitions & Public Participation Committee entails the following:

- (a) To encourage the involvement of Communities and Community Organisations in the matters of local government.
- (b) The development of systems to monitor and track petitions received in an accurate and effective manner.
- (c) The development of a feedback system for petitions received
- (d) To increase the effectiveness of public participation in the Council.
- (e) To develop and/or update a policy for public participation.
- (f) To diligently perform its power and functions in terms of these terms of reference.

O.R. Tambo District Municipality is involved in public participation through ward committees. Capacity building programs were conducted to ward committees in order to strengthen ward committee leadership. About 140 Ward Committee members in Port St Johns Municipality were workshopped on Community Public Awareness on Grievance procedure and Voter Registration awareness. The Municipality monitors the functionality of ward committees within the district by using the Ward Committee Monitoring Tool. On a quarterly basis, the Local Municipalities submits reports on all service delivery based issues.

2.1.6 Political Governance



2.1.6.1. Oversight Role of Council and Section 79 Committees

The council committees are established in terms of Section 79 of the Municipal Structures Act 117 of 1998 as Standing and Portfolio Committees. Non-executive fulltime councillors chair section 79 Standing Committees and the Section 79 portfolio committees are chaired by non-executive part time chairpersons.

The district municipality has seven Section 79 Standing Committees and eight Section 79 Portfolio Committees, which are managed and coordinated by the Office of the Speaker as per the Separation of Powers Model that was adopted by Council on 6 September 2013.

Table 3: S 79 Standing Committee Achievements

Section 79 Standing Committee	Chairperson's Name	Achievements
1. Rules Committee	Cllr. X. Nkompela	1. Adoption of Reviewed Council Standing Orders 2. Four Progress reports tabled to council
2. Programming Committee		Effective sittings of all council meetings due to prior consideration of all items for council by the Programming Committee. Tabling of 4 Progress Reports to Council
3. Chairperson's Committee	Cllr A. Gantsho	Tabling of S79 Standing and Portfolio Committee Quarterly reports to Council 2. Four Quarterly Progress Reports tabled to council 3. Section 79 Committee Chairpersons Strategic Planning Session
4. Municipal Public Accounts Committee (MPAC)	Cllr N. Pepping	1. Study Tour: SCOPA national parliament 2. Project verification for 2016\17, abandoned projects and incomplete projects 3. Tabled report to council on corrective measures for root causes of Unauthorized, Irregular, Wasteful and Fruitless Expenditure 4. Tabling of Oversight Report on the Unaudited and Audited 2016\17 Annual Report 5. Investigation of Irregular Expenditure for 2016\17

Section 79 Standing Committee	Chairperson's Name	Achievements
5. Ethics and Members Interest Committee	Cllr Gcinindawo	Workshop on all councillor benefit\welfare policies Tabling of 4 Quarterly Progress Reports to Council
6. Multiparty Women's Caucus	Cllr Cwecwe	Conduction of Awareness Campaign for Prevention of Violence against Women Tabling of 4 Quarterly Progress Reports to Council
7. Petitions and Public Participation Committee	Cllr M Dambuza was appointed , who later resigned and then Cllr Rolobile took over	Tabling of 3 Quarterly reports to council

Section 79 Portfolio Committees

Section 79 Portfolio Committees Name	Names of Departments Oversighted	Chairperson	Oversight Reports Adopted by Council
1. Infrastructure Services Portfolio Committee	Water and Sanitation Services and Technical Services	Cllr Z. Gusana	Five Oversight Reports: (4 th Quarter 2016\17, 1 st Quarter 17\18, 2 nd Quarter 2017\18, & 3 rd Quarter 2017\18) and 1 Focused Intervention Study Report Conducted Study tour to Ekurhuleni Metropolitan Municipality
2. Human Settlement and Disaster Management Portfolio Committee	Human Settlement and Disaster Management Section under Community Services	Cllr N. Fono	Five Oversight Reports: (4 th Quarter 2016\17, 1 st Quarter 17\18, 2 nd Quarter 2017\18, 3 rd Quarter 2017\18 and FIS Report
3. Corporate Services	Corporate Services	Cllr L. Mziba	Five Oversight Reports: (4 th Quarter 2016\17, 1 st Quarter 17\18, 2 nd Quarter 2017\18, 3 rd Quarter 2017\18 and Focused Intervention Study Report
4. Community	Community	Cllr M.I.	Four Oversight Reports: (4 th

Section 79 Portfolio Committees Name	Names of Departments Oversighted	Chairperson	Oversight Reports Adopted by Council
Services	Services	Nkungu	Quarter 2016\17, 1 st Quarter 17\18, 2 nd Quarter 2017\18, 3 rd Quarter 2017\18
5. Budget & Treasury Office (BTO)	BTO & Internal Audit	Cllr K. Mandita	Four Oversight Reports: (4 th Quarter 2016\17, 1 st Quarter 17\18, 2 nd Quarter 2017\18, & 3 rd Quarter 2017\18)
6. Planning, Research and Intergovernmental Relations	Office of the Municipal Manager	Cllr Mcimbi	Four Oversight Reports: (4 th Quarter 2016\17, 1 st Quarter 17\18, 2 nd Quarter 2017\18, & 3 rd Quarter 2017\18)
7. Special Programs and Social Services Portfolio Committee	Office of the Executive Mayor	Cllr T. Mgaweni	Four Oversight Reports: (4 th Quarter 2016\17, 1 st Quarter 17\18, 2 nd Quarter 2017\18, & 3 rd Quarter 2017\18)
8. REDP	LED, Ntinga Development Agency & Kei Fresh Produce Market	Cllr N. Kuluta	Five Oversight Reports: (4 th Quarter 2016\17, 1 st Quarter 17\18, 2 nd Quarter 2017\18 & 3 rd Quarter 2017\18)

Table 4: S79 Committee Allocations

Committee's Name	No. of Members	ANC	Total Opposition	UDM	DA	EFF	AIC	CI	MRRA	TL	Vacancy
Rules Committee	10	6	2	1	1	-	-	-	-	2	-
Programming Committee	09	6	2	1	1	-	-	-	-	1	-
Chairperson's Committee	13	13	-	-	-	-	-	-	-	-	-
MPAC	12	8	2	1	1	-	-	-	-	2	-
Petitions & Public Participation	13	9	3	1	1	-	-	-	-	4	-
Ethics & Members Interest Committee	11	7	3	1	1	1	-	-	-	2	-
Women's Caucus	29	27	2	1	-	1	-	-	-	5	-
Infrastructure Services	12	6	4	1	1	1	-	-	1	2	-
Human Settlement & Disaster Management	10	5	3	1	1	1	-	-	-	2	-
BTO	12	6	4	1	1	1	-		1	2	-
Planning, Research & IGR	12	7	3	1	1	-	-	1	-	2	-
Corporate Services	11	5	4	1	1	1	1	-	-	2	-
Community Services	11	6	2	1	1	-	-	-	-	3	-
Special Programs & Social Services	9	7	1	-	-	1	-	-	-	1	-

2.1.6.2. Participation of Traditional Leaders in Council

Additional to 59 councillors, O.R. Tambo District Municipality has been joined by 12 Traditional Leaders who were also sworn in on the 24th August 2016. Section 212 (1) of the Constitution of the Republic of South Africa refers to the recognition of the institution of Traditional leadership by stipulating that national legislation may provide for a role for the institution of traditional leadership at all local communities. Section 81 of Local Government: Municipal Structures Act, No.117 of 1998 as well as section 4 of the Traditional Leadership and Governance Framework, Act No.43 of 2003 give effect to section 212 (1) of the Constitution by allocating a role to the institution of traditional leadership on governance and development issues at the sphere of local government. Section 81 (2) of the same Act further stipulates that:

- (a) The MEC for local government in a province, in accordance with Schedule 6 and by notice in the Provincial Gazette, must identify the traditional leaders who in terms of section (1) may participate in the proceedings of a municipal council.

The Traditional Leaders participating in council have played an essential role in guiding all the decisions taken regarding any matter. All Traditional Leaders participate effectively in Council debates. They are represented in all Section 79 Council Committees (Standing and Oversight Portfolio Committees).

2.2 Administrative Governance

According to the MFMA 60(b): The Municipal Manager of O.R. Tambo District Municipality is the accounting officer of the municipality for the purposes of this Act and provides guidance on compliance with this Act to political structures; political office bearers, officials of the municipality and any entity under the sole or shared control of the district municipality. The O.R. District Municipality has well-established organisational structures and systems in place. The organisation has, through the planning and performance units, introduced mechanisms that will catapult the municipality's service delivery. The municipality has filled the critical posts of the Director: Water and Sanitation and Director: Human Settlements and is still in the process of soliciting a suitable candidate for the Director: Technical Services. The municipality's administrative structure continues to earnestly serve its mandate for developmental local government assigned thereto through the Municipal Structure Act, 1998. The municipality serves through eleven (11) directorates namely: Water and Sanitation; Technical Services; Community Services; Human Settlements; Executive Mayoral Services; Legislative Services; Rural Economic Development and Planning; Budget and Treasury; Internal Audit; Corporate Services and Office of the Municipal Manager.

TOP ADMINISTRATIVE STRUCTURE

Municipal Manager – Mr. O.N. Hlazo
Director Water and Sanitation – Mr. A. Velem
Director Technical Services – Vacant
Director Community Services – Mr. L. Madzidzela
Director Human Settlements – Ms. N. Mnyanda
Director Executive Mayoral Services – Ms. N. Mbatani
Director Legislative Services – Ms. T. Tseane
Director Rural Economic Development and Planning – Ms. P.A.X. Dunywa
Chief Financial Officer – Mr. M. Moleko
Director Internal Audit – Vacant
Director Corporate Services – Mr. F. Mphako
Director Office of the Municipal Manager – Mr. B.B. Matomela

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 Intergovernmental Relations

The DM has established an IGR unit under the Office of the Municipal Manager, which also established a District Intergovernmental Forum. The role of the District Intergovernmental Forum is to serve as a Consultative Forum for the District Municipality, the five Local Municipalities, the Eastern Cape Provincial Government, National Government and State-Owned Enterprises to discuss and consult on matters of mutual interest, which include but not limited to:

- Draft National and Provincial policy and legislation relating to matters affecting Local Government interests in the District;
- the implementation of National and Provincial policy and legislation with respect to such matters in the District;
- matters arising in the Premier Intergovernmental Forum, or MUNIMEC that affect the District;
- mutual support in terms of Section 88 of the Local Government: Municipal Structures Act, 1998 (Act no. 117 of 1998);
- the provision of services in the District;
- planning and development in the District;
- the coordination and alignment of the Strategic and performance plans and priorities, objectives and strategies of the Municipalities in the District;
- submission and coordination of allocation of resources to MTRF budget; and
- any other matter of strategic importance, which affect the interest of the Municipalities in the District.

The functioning of the Intergovernmental Relations Forum in the District is improving and particularly the various Sector forums, including those linked to the IDP. Some of the outcomes of these improved IGR-functioning in the District are the:

- drafting of the Five Year Sector Strategies which form the basis of this document;

- outlining what the district wide priorities as adopted by all the LMs should be; preparation of the Local Government Turnaround Strategy;
- an IGR Policy Framework is in place;
- The framework dictates the establishment of the technical and municipal IGR structures (DIMAFO, MM's Forum, Working Groups)
- It also ensures the interface between the District, the Province and National (PFC, MUNIMEC etc.)
- launching of the District IGR as well as IGR roadshows that were conducted district wide.
- In the 2017/18 financial year, three (3) sector forums were established and operationalized to co-ordinate sectorial planning in line with the IDP Process Plan

These are:

- Governance and Administration Cluster
- Social Transformation Cluster
- Economic Development Cluster

All the IGR structures currently in place in the ORTDM are provided in Table XX below.

INTER-GOVERNMENTAL STRUCTURES IN THE DISTRICT

IGR Structure	Nature (Political/Technical)	Required Frequency Of Meetings	Functionality
District Mayor's Forum	Political – chaired by the Executive Mayor	Once per semester	Functional, with consistent attendance by most Mayors from the LMs
Sector/Cluster Forums	Political and Technical	Quarterly	Functional
Municipal Manager's forum	Technical – chaired by the Municipal Manager of the DM	Quarterly	Functional and all LMs are participating.
District Communicators forum	Technical – chaired by the DM manager for communications unit	Monthly	Functional and active
Local Communicator's forum	Technical – chaired by the LM heads of communications	Monthly	Functional in some LMs
District Speaker's Forum	Political – chaired by the Speaker	Once per quarter	Functional.
District Whippery Forum	Political – chaired by the Council Chief Whip	Once per quarter	Functional.
KSD Presidential Intervention	Political – chaired by the Premier	Bi-Monthly	Functional and constitutes of all sector departments

EXISTING TWINNING ARRANGEMENTS AND MEMORANDUM OF AGREEMENTS/UNDERSTANDING

Twining Arrangement/ Moa/ MoU	Affected Institutions	Purpose	Leading Department
Water Services Function	Amatola and Umgeni Water Boards	Improvement of Water Services function	Water Services
Development of Water Master Plans	DWA and Water-Boards	Development of Sustainable and reliable water resource (development of water master plans)	Infrastructure Cluster
Study Assistance	Patrice Motsepe Fund and ORTDM	Bursary Fund for needy students	SPU
	Anglo-Ashante and ORTDM	Study Assistance for students	
Health Services	Oxfam-Italia and ORTDM	Supporting Clinics across the district.	EMS

Twining Arrangement/ MoU	Affected Institutions	Purpose	Leading Department
Acceleration of sanitation backlogs	National Department of Human Settlements	Reduction of backlogs through and acceleration of the delivery of sanitation	Technical Services
Agricultural growth	RAFI (Argentina)	R27 billion potential investment initiative for massive oil seed / grain production targeting 45 000 ha district wide	REDP

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 Public Meetings

The ORTDM fulfils the objectives of local government by ensuring that it inculcates public accountability and participation. In its operations, it ensures that there are proper engagements through public meetings taking place in various platforms. From the Council point of view, in all ordinary council meetings members of the public are invited in order to understand council affairs. Moreover, open councils were convened on a quarterly basis across the local municipalities. These serve to gather service delivery needs as well as assessing the service delivery impacts. Moreover, the Speaker of the Council and the Chief Whip convened community outreaches. These served to link the district with its local municipalities as well as ward committee members and the entire community.

Apart from the open council and outreaches, the Executive Mayor further convened quarterly imbizo's. These are platforms of engagements with communities, which serve to assess service delivery implementation and to gather challenges that are faced on the ground. Issues emanating from the imbizo's are consolidated and form part of the municipal planning information. Other platforms of community meetings are the IDP roadshows. These are institutionalised in the planning trajectory in order for the communities to understand the municipal plans as well as contribute in that regard. The IDP roadshows are complemented by the IDP representative forums which are convened throughout the IDP development process where stakeholders and members of community are provided an opportunity to participate in the planning process.

2.5 Support to Local Municipalities

The various departments in the ORTDM are implementing a number of programmes in support to the five LMs. The major challenge is that a Municipal Support Services is not centrally coordinated by the District Municipality across all the LM's, and as such, these LMs are not monitored. The DM has limited capacity to ensure central coordination of LM support, mainly due to non-compliance with the Municipal Support Service Tool

adopted by the Municipal Manager's Forum to improve coordination and reporting on both progress and challenges. Table 2.31 indicates the various LM support programmes implemented by the various departments in the DM:

LOCAL MUNICIPAL SUPPORT PROGRAMMES

NAME OF DEPARTMENT	NATURE OF SUPPORT	BENEFICIARY MUNICIPALITIES	KEY MILESTONES/ACHIEVEMENT TO DATE	CHALLENGES
Legislative Services	Support on the Establishment of MPAC and Oversight Committees; Development of Public participation Policy, Public Participation Strategy and Ward Committee Guidelines; Compilation of Council Documents, Council Minutes and Resolutions register	All LMs	<ul style="list-style-type: none"> All LMs have been work-shopped on MPAC Terms of Reference. All Local Municipalities have been encouraged to participate in the Speakers and Traditional Leaders' Summit 	Inconsistence in attending meetings convened by the DM.
Internal Audit	Provide internal audit support to Local Municipalities on a shared service arrangement.	Port St Johns LM, Mhlontlo LM, Ntinga OR Tambo Development Agency and PSJ Development Agency	<ul style="list-style-type: none"> There has been improvement in audit outcomes with Mhlontlo LM obtaining an unqualified audit opinion in the 2015/16 and 2016/17 financial years. Port St Johns Development Agency has been obtaining an unqualified audit opinion since the 2014/16 financial year 	The existing capacity in the district is inadequate to fully service the LMs. Past audit issues are not addressed on time resulting in recurring audit issues.
Office of the Municipal Manager	Coordination of development of IDP and PMS	All LMS	<ul style="list-style-type: none"> Development of Framework and process plans for both IDP and PMS 	Limited capacity (staff complement), in some LMs, the functions of IDP and PMS are coordinated by the same people.

NAME OF DEPARTMENT	NATURE OF SUPPORT	BENEFICIARY MUNICIPALITIES	KEY MILESTONES/ACHIEVEMENT TO DATE	CHALLENGES
Office of the Municipal Manager	Implementation of Operation Masiphathisane	All LMs and DM	<ul style="list-style-type: none"> • Training Workshops on Operation Masiphathisane has been conducted in four LM's except KSD LM. • 145 out of 146 wards have Ward War Rooms • 146 Operation Masiphathisane Pull Up banners have been distributed to all 146 wards. • Launch of Operation Masiphathisane has been done in all LMs. • Each LM has an IGR Officer from the District Municipality that coordinates all IGR, Municipal Support, International Relations and OM Programs though located in the District Municipality. 	Limited budget for the OM implementation plan. Limited/lack of staff dedicated to IGR/OM programmes in LMs.
Legal Services	Legal, consultative and sharing of personnel for legal support	Mhlontlo, Nyandeni, Ingquza Hill KSD and Port St Johns LMs	<ul style="list-style-type: none"> • Successfully defended cases for the municipalities. • Shared skills and legal manual. 	<ul style="list-style-type: none"> • Structures do not provide for adequate legal staff. • Too many litigations and less funding. • Less opportunities for meetings
Human Resources	Support for job evaluation , Consultative	Mhlontlo, Nyandeni, Ingquza Hill, KSD and Port St Johns LMs	<ul style="list-style-type: none"> • Job evaluation finalized and implemented in some LMs and in others still in process 	<ul style="list-style-type: none"> • Formulation of policies. • No uniformity of systems. • Lack of skilled personnel.
ICTM	Consultation,	Mhlontlo, Nyandeni, Ingquza Hill, KSD and Port St Johns LMs	<ul style="list-style-type: none"> • Three policies have been approved which are ICT Steering Comm, ICT Policy and Security. 	<ul style="list-style-type: none"> • Formulation of policies. • No uniformity of systems. • Lack of skilled personnel.

NAME OF DEPARTMENT	NATURE OF SUPPORT	BENEFICIARY MUNICIPALITIES	KEY MILESTONES/ACHIEVEMENT TO DATE	CHALLENGES
Rural Planning and Economic development	Planning	Mhlontlo LM Mhlontlo Ward 2 and 13 Port St Johns LM Ward 11	<ul style="list-style-type: none"> Tsolo Junction SDF being developed. Community Based plans developed, Langeni LSDF Ntabelanga and Lalení Dam LSDF 	
Rural Planning and Economic development	Economic Development	All LM's	<ul style="list-style-type: none"> Support to informal traders, co-operatives and SMME's through capacity building and supply of material and equipment 	N/A
Community and Social Services	Capacity building and training	All LMs	<ul style="list-style-type: none"> Training of community members on Tourism Arts and Craft, Business skills. Poultry management and disease management. Public transport operators trained on conflict management, Customer care and financial management. 	
Infrastructure Cluster	Engineering Support	All LMs	<ul style="list-style-type: none"> Development of standard tender document that complies with CIDB regulations. Purchase of Design Soft Water for Nyandeni LM. Training on General Conditions of Contract in 2010. 	Not Applicable

Challenges Identified in IGR:

Despite successes, there are still challenges. The following are some of those that have been noted:

- *Ad hoc* IGR coordination at Local Municipalities level;
- The need to improve on planning and coordination of events/ IGR activities between DM and LMs

2.6 IDP Participation and Alignment

- The district municipality and its locals performs the strategic planning functions under the Office of the Municipal Manager.
- The municipalities in the district continue to comply with the regulations in the development of the IDP.
- The IDPs were approved by various Councils for the year under review whilst the IDP 2018/19 process plan were also approved during the prescribed period.
- Generally, the Mayors / Executive Mayors have approved SDBIPs and this guide the implementation of the IDP.
- Relevant Strategic Managers/ IDP Managers positions are filled in all the municipalities with the exception of the DM challenged by the structural vacancy (IDP Manager is not in the organogram)
- There is generally lack of understanding and participation of sector departments in the IDP processes.
- The relationship and alignment between the DM and the LM on IDP processes have improved.

COMPONENT D: CORPORATE GOVERNANCE

2.7 Risk management

The Municipal Finance Management Act section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

Risk management is defined as the identification and evaluation of actual and potential risk areas applicable to an organization, followed by a process of mitigation, acceptance, transfer or avoidance of each risk.

O.R. Tambo District Municipality's council monitors risk through the Audit Committee. The Committee plays an oversight role to ensure that there is an effective risk management process and system within the organization. The Audit Committee recommends to the Council risk strategies and policies that need to be set, implemented and monitored. This approach provides technical assistance to the Council to exercise its role in ensuring that an adequate and effective risk management system and process is in place.

With the technical support from the Risk Management Unit and Internal Audit O.R. Tambo District Municipality identifies risk areas that are managed systematically and continuously. The municipality has a risk register in place which is treated as a working risk management document of which the identified risks are constantly recorded and properly managed. The municipality's senior management monitors and evaluates the implementation and efficiency of management's controls and such actions identified to improve current controls in the risk register.

During the 2017/18 financial year, the municipality continued to address the identified risk factors in both strategic and operational levels of management by implementing the suggested risk action plans and reporting quarterly to the Audit Committee and Council.

The chief Risk officer resigned from the post in November 2017 with the new Risk officer appointed in June 2018 and is set to assume duty from the 01 August 2018

The Risk Management Unit of O.R. Tambo District Municipality in consultation with Internal Audit Unit facilitated the 2017/18 Annual Risk Assessment workshop for the municipality to review and identify areas of risk within the strategic objectives and structures of the municipality and to determine the priority level of each risk.

The workshop took place on the 22 June 2017, **table 10.** below details the institutional top 10 Strategic Risks that were prioritised for the period being reported on. The results of the workshop represent the participants' view of the risks facing the Institution at large as well as specific departments within the municipality. The wording of risks represents that as agreed to by the participants at the workshop.

Risk management strategy has been developed and the policy together with the terms of reference of the risk committee has been reviewed during the period under review. However, the implementation of these is currently under way. The culture of risk management has not yet matured, it is in its infant stage; Risk management continues to be viewed as a compliance matter rather than being embedded on the day to day business and organizational culture. The focus is still at institutional and departmental assessment and has not yet reached or addressed project risk management.

The top ten (10) risks that have been identified in the municipality for the 2017/18 financial year are as follows:

Table 10: The top ten (10) risk identified in the municipality

Priority Area	Strategic Objective	Risk No	Risk Description	Risk Causes	Current controls	Residual Risk Value	Risk owner
KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE							
Water quality	To improve access to affordable, clean and portable water to the population by 2022	1	3.2 Failure to Meet water quality SANS standards (Blue & Green status)	1. Inadequate skills. 2. Ageing Infrastructure. 3. Insufficient human capacity	1. Water quality monitoring Program 3. Classification of Process Controllers and Treatment Works 4. WSA Manager and unit in place 5. Approved budget	16.25	Director Water Services
Water quality	To reduce water losses up to 20% by 2022	2	Water losses	1. Dilapidated/ageing infrastructure 2. Lack of community awareness 3. Unidentified water losses 4. Delayed response to reported water leaks	1. Thetha Nathi Application 2. Plumbers 3. Budget 4. Inventory and Stores 5. Annual Pipe replacement programme 6. Customer Service personnel 7. National guideline of 8rs to respond and 48 hrs. to resolve.	16.25	Director Water Services

Priority Area	Strategic Objective	Risk No	Risk Description	Risk Causes	Current controls	Residual Risk Value	Risk owner
KPA 2: LOCAL ECONOMIC DEVELOPMENT							
Capacitation of Youth and Emerging Contractors	To train 125 emerging Previously Disadvantaged Individuals (Youth and Emerging Contractors) by 2022	10	Inability to offer quality required skills	1.Budget constrains 2.Limited Accredited training Institutions		16	Director Human Settlements
KPA 3: FINANCIAL MANAGEMENT & VIABILITY							
Revenue Management	To effectively and efficiently manage and grow the district municipality's revenue through a mix of revenue management, enhancement and protection strategies by 2022	7	Inability to meet set revenue targets	1. Lack of resources (insufficient working space, working tools) 2. Out-dated by-laws. 3. Incorrect delivery of statements. 4. Limited access to water meter reading 5. Theft / under banking of collected revenue.	1. Policy revenue (Debt & credit policy, Revenue enhancement strategy, investment policy), 2.Reporting on Grants 3.Monthly Recons Monthly returns from SARS 4.Approved Budget & SDBIP. 5. Data cleansing 6.Human Resource 7.Project on fixing of faulty meters. 8.Communication	16.25	CFO

Priority Area	Strategic Objective	Risk No	Risk Description	Risk Causes	Current controls	Residual Risk Value	Risk owner
Supply Chain Management	To ensure the effective implementation of demand management, acquisition management, contract management, supplier performance management and SCM risk management by 2022	8	Non adherence to SCM regulations	1. Non-adherence to approved SDBIP and approved Cash flows. 2. Non availability of procurement plans. 3. Non adherence to council calendar by Bid committee 4. Inadequate supplier performance monitoring. 5. Non-disclosure by potential service providers in the service of the state. 6. Inadequate segregation of duties	1. Bid committees 2. SCM Policy 3. Compliance checklist 4. Section 32 committee	16.25	CFO
KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION							
Performance Management, Monitoring and Evaluation	To ensure a district wide coordination of implementation, monitoring and evaluation of the IDP	9	Ineffective coordination of monitoring and evaluation.	1. Non submission of reports 2. Culture not inculcated 3. Performance only done for compliance purposes.	1. Performance management policy 2. Sitings of HODs assessments. 3. Weekly, monthly & quarterly reporting templates for PMS 4. M&E unit for physical verification	16.25	Director Municipal Manager

Priority Area	Strategic Objective	Risk No	Risk Description	Risk Causes	Current controls	Residual Risk Value	Risk owner
KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT							
Records Management (Institutional)	To provide effective and efficient human resource and corporate administration support	3	Inability to preserve municipal records	1. Inadequately trained records management staff 2. Lack of awareness on records management 3. Non implementation of RM System	1. Records management unit 2. Records management policy in place 3. File plan in place. 4. Registry procedure manual	20	Director Corporate Services
ICT Enhancement (District Wide)		4	Inability to provide adequate systems and governance	1. Non implementation of Policies 2.Lack of proper integrated systems 3. Non availability of ICT governance structures	1. ICT Policy 2. Firewalls 3. ICT unit 4. ICT infrastructure in place	20	Director Corporate Services
Organizational Development (District Wide)		5	Inability to improve institutional performance through skills development	1. Non implementation of WSP 2.Inadequate coordination of skills development programme 3.Non adherence to training and development policy	1. Work Place skills plan in place. 2. Skills dev and employment equity committee. 3. Training and dev policy 4.Centralisation of training budget 5. Fully fledged HRD UNIT	16.25	Director Corporate Services

Priority Area	Strategic Objective	Risk No	Risk Description	Risk Causes	Current controls	Residual Risk Value	Risk owner
Recruitment and Selection	To effectively and efficiently recruit and retain competent Human Capital by 2022	6	Inability to retain competent staff	1. Absence of retention strategy and policy	No controls in place.	18	Director Corporate Services

These top ten risks had mitigating controls in place to reduce the impact of these risks if they may occur and the mitigating controls were allocated to individuals to implement them throughout the 2017/18 financial year.

2.8 Anti-corruption and Fraud

The council of O.R. Tambo District Municipality is committed to the highest possible standards of openness, probity and accountability and recognizes that the electorate needs to have confidence in those that are responsible for the delivery of services. A fraudulent or corrupt act can impact on public confidence in the Council and damage both its reputation and image.

Fraudulent and corrupt practices undermine the basic values and principles governing public administration and any criminal and other irregular conduct are detrimental to good, effective, accountable and transparent governance and can hamper the service delivery capacity of the Municipality. Procedures are provided in terms of which employees and councillors may without fear of reprisals, disclose information relating to suspected or alleged criminal or other irregular conduct. Policies and strategies are in place setting out the Council's approach and commitment to the prevention, deterrent and detection of fraud and corruption

A policy on declaration of conflict of interest by staff is in place. Incidents of suspected corruption are reported via the Presidential Hotline. Currently the municipality is developing its fraud hotline and the work on the conceptualization of this has been initiated. The following activities have been undertaken:

- Fraud awareness sessions have been held with various departments who are by nature prone to fraud such as SCM, HR; Human settlements and Community services. A plan for fraud prevention has been developed.
- Staff have signed declaration of interests
- Workshop on the policies have been conducted
- There is a process which is still in progress to ensure that risk management unit works with labour relations to ensure that staff has signed the code of conduct.
- The institution has an internal audit unit who on an annual basis conduct audits in areas with high risks, this is also a means of testing the existing controls to ensure that they are strengthened to detect, prevent and mitigate any fraud risks identified. Through internal audit reports the institution is able to set action plans to improve the status quo.

Challenges that need to be addressed are as following:

- Non-reviewal and non-implementation of policy;
- Reported incidents not followed up, no internal disciplinary measures;
- Policies of the municipality not entrenched to the operations of the institution;
- Insufficient will by both political and administrative to resolve fraudulent activities, resulting in potential whistle blowers getting discouraged to report incidents that may not be pursued;
- No protective measures for whistle blowers;
- Backlogs on prosecution of reported incidents;
- No preventative and detective internal measures against fraud and corruption; and
- False alarms on fraud and corruption with a purpose to hide own corruption (camouflage).

2.9 Supply Chain Management

There have been several improvement initiatives undertaken within the procurement function to ensure value-for money, greater efficiency and effectiveness, and reduce fraud and corruption. These include, inter alia, the following:

- ISO 9001 accreditation of procurement processes - quality management system
- Business and process improvement initiatives, such as:
 - Centralised contract register;
 - Procurement scheduling resulting in better planning and capital spend;
 - Electronic contract tracking;
 - Supplier address book consolidation;
 - Invoice scanning and logging;
 - JSCM Policy review;
 - E-Procurement – Quotes Management System (QMS);
 - Improved internal controls – reduce fraud and corruption;
 - Benchmarking of prices of goods and services;
 - Employing SABS standards on products; and
 - Making use of transversal contracts.

The BTO department conducted a SWOT Analysis of all the functions and below are the outcomes for Supply Chain Management analysis:

Strengths	Weaknesses
<ul style="list-style-type: none">• SCM Policy reviewed in line with latest legislation and best practices and adopted by Council on the 30 May 2017• CSD Regulations implemented during the year ended 30 June 2017.• Review and update of existing procurement templates which have standardized the procurement process for quotations and tenders.	<ul style="list-style-type: none">• Partial implementation of the SCM Policy.• Continuous processing of transaction that lead to irregular expenditure (lack of procurement plans as well as project implementation plans, deviations that do not meet the requirements of Regulation 36).• Procurement policy for infrastructure projects has not been adopted• Improper use of Regulation 32 provisions.• Lack of contract management in line with Section 116 of the MFMA (infrastructure projects that are way beyond planned completion periods without any consequence management).• Lack of systems to identify close family members before awards.• Slow process of filling of vacant posts within the SCM Section

Opportunities	Threats
<ul style="list-style-type: none"> Appointment of service providers through term contracts for recurring expenditure items (rotation to be monitored). SMME development and targeting through updated PPPFA Regulations. 	<ul style="list-style-type: none"> Fiscal dumping from other government institutions

Remedial action for factors identified above:

- Conduct workshops for SCM policy with municipal officials.
- Implement consequence management in terms of Section 32 of MFMA.
- Council to approve budget only when HOD's submit their procurement plans with realistic PIP's.
- Workshopping of the policy to all stakeholders and implement thereafter.
- Management to review the use of Regulation 32.
- Establishment of contract management unit.
- The functionality of all infrastructure projects to be reviewed and a more efficient procurement strategy be adopted to assist the municipality in ensuring that it is able to attract sufficient service providers.
- Council to approve ad hoc portfolio committee meetings between budget and treasury and infrastructure to discuss any bottlenecks on stalled projects and identify root causes to clear those soon
- As part of value add, periodically liaise with AG for the review of the procurement made in order to identify all companies that have close family members through their CAATS systems
- Fast-tracking of the recruitment process for the filling of vacant posts.

2.10 By-laws

The ORTDM approved the following by-laws for the betterment of the community within the terms of the legislation as follows:

By-laws developed, reviewed and approved during 2017/18 financial year					
Newly Developed	Revised	Public Participation Conducted prior to adoption of By-laws (Yes/No)	Dates of Public Participation	By-laws Gazetted (Yes/No)	Date of Publication
Water Services	Yes	In progress	May – June 2018	No	N/A

By-laws developed, reviewed and approved during 2017/18 financial year					
Newly Developed	Revised	Public Participation Conducted prior to adoption of By-laws (Yes/No)	Dates of Public Participation	By-laws Gazetted (Yes/No)	Date of Publication
Municipal Health	Yes	No	N/A	No	N/A
Fire Services	Yes	Yes	31 January 2018	No	N/A

2.11 Website

Section 75 of the Municipal Finance Management Act prescribed for the minimum content that must be displayed on the municipality's websites. The municipality has updated its website to serve as a mode of communication to the district citizens at large on municipal services, functions and duties. The following is a tabulation of the documents published on the website during the financial year:

Municipal Website: Content and Currency of Material		
Documents Published on the Municipal Website	Yes/No	Publishing Date
Current annual budget (2017/18)	Yes	June 2017
All current budget-related policies	Yes	June 2017
Budget adjustments and all budget-related documents (2017/18)		March 2018
The previous annual report (2016/17)	Yes	March 2018
The Annual Report (2017/18) published/to be published	No	Not Yet
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2017/18) and resulting scorecards	Yes	July 2017
All service delivery agreements (2017/18)	No	N/A
All long-term borrowing contracts (2017/18)	N/A	N/A
All supply chain management contracts above a prescribed value R200 000.00 for 2017/18	No	N/A
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2017/18	No	N/A
Contracts agreed in 2017/18 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	N/A
Public-private partnership agreements referred to in section 120 made in 2017/18	No	N/A
All quarterly reports tabled in the council in terms of section 52	Yes	Quarterly

Municipal Website: Content and Currency of Material		
Documents Published on the Municipal Website	Yes/No	Publishing Date
(d) during 2017/18		

2.11 Public Satisfaction on Municipal Services

In order to fully fathom the magnitude of public satisfaction on municipal services, the municipality must put in place mechanisms that allow for direct feedback on services provided. It is paramount that a municipality evaluates its public satisfaction against its service delivery initiatives and deliverables. Every project or program implemented must be measured not only on its outcome but on the impact it has in the community in which it is intended to serve. The District municipality consists of five local municipalities namely: Mhlontlo, Nyandeni, Port St Johns, King Sabata Dalindyebo and Ingquza-Hill. In order to fathom the impact and magnitude of public satisfaction, the district municipality would have to conduct qualitative and quantitative research on the entire area by sampling a portion of the whole population thereof.

The municipality conducts recorded public meetings in order to consult with communities on burning issues, planned projects et cetera. These meetings are in place as a consultative process with citizens of the district. This is all the while the municipality is in the process of developing an information system database that will store informative features and citizens' satisfaction information. The system will identify critical performance scopes of citizens' satisfaction together with a satisfaction tree. This will be developed in the form of an algorithm which will identify different steps.

The first step of these will determine the organizations scopes and identify features of services given to citizens. These performance features will be identified according to the mission and major duties of the municipality. The second of these steps will be to form a process execution matrix based on the records of process execution. This is to determine the status of citizens' satisfaction with the public services as the performance measures will be collected in the form of a questionnaire. The third of these steps will be determining and identifying critical features of satisfaction by analysing the relationship between the service and the impact it has had on communities. The last of these steps is finding contingency mechanisms in areas where the service delivery initiatives did not produce the intended impact.

The aforementioned will assist in identifying a citizens' satisfaction model about services given by the municipality and how they can play a key role in the improvement of its citizens' satisfaction. This will assist the municipality in predicting citizens' satisfaction and to manage its performance to improve public satisfaction with its mandated services.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

COMPONENT A: BASIC SERVICES

3.1 Water Provision

Water services provision in the Municipality is under the Department of Water and Sanitation Services. This department has a vacancy rate of 14%. Staff compliment as the end of June 2018 for this department is depicted in the table below:

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
772	667	105	14%

The departmental financial performance is illustrated in the table below:

	2017/18			
Details	Original Budget	Adjustment Budget	Actual	Variance to Budget
Operating Expenditure	R 682,458,922.00	R 701,099,489.12	R	R
Capital Expenditure	R 1,151,403,860.00	R 1,146,173,000.00	R	R

Over the financial year the municipality had implemented 29 projects and these were funded through grants. Most of the capital projects are multiyear in nature whilst others address bulk supply. This means therefore that number of people to be served will be recognised whilst some of the capital projects are completed. However, as much as the District is implementing long-term projects there are projects that have been completed and 26532 people have been served with portable water supply.

Apart from the capital program the municipality continued to maintain, refurbish, upgrade and extending the existing infrastructure to the needy community. This program serve to ensure sustainability and improve the functionality of the schemes. Over the year, 70% of non-functional schemes have been repaired to its normal standard and this includes part of extensions. This amounted to 52646 households that has been able to benefit. Also 54 non-working schemes and upgraded 4 schemes have been refurbished.

The District Municipality further considered those communities that do not have infrastructure and those affected by drought by providing them with remedial measures that include provisioning of water tanks as well as water carting. Over the year 150.1 mega litres of water was catered and

delivered to communities across the district, whilst 50 water tanks were provided to needy communities as an interim service.

The table below illustrates level of access of water for the district households:

Category	No. of Households
Proportion of households with access to water points (house connections)	41,431
Proportion of households with access to piped water (inside yard)	43,076
Proportion of households receiving 6kl free water	153,000
Proportion of households with access to piped water on community stands (distance less than 200 meter from dwelling)	42,863
Proportion of households with access to piped water on community stands (distance less than 200 meter from dwelling)	20,583
Proportion of households with no access to piped (tap) water	173,870
TOTAL	321,823

In addition to the connections that were made, the District also managed to refurbish about 54 non-working schemes and upgraded 4 schemes, Moreover about 10 boreholes were drilled and equipped which benefitted 2220 households and more than 70km of water reticulation was extended through internal EPWP programme in order to improve access of water. Accordingly, 500 more household including 5 disabled beneficiaries were given access to water supply. Purified schemes and spring protections were also drilled and equipped. With our District being rural amongst the 321 733 households, more than 153 000 households received access to free basic services of water.

Through the appointment of Amatola Water Scientific Services as a support compliance laboratory, the District has been improving its water quality. Chemical compliance for year under review have been not less than 99% and physical compliance of not less than 99% with notable challenges of microbiological compliance which was 81% due to ageing infrastructure at the works, and deteriorated raw water quality.

There has been challenges of land claims, which impacted on the completion of most of the projects. In a move set to unblock bottlenecks that delay completion of water projects, the District managed to put spanner in the works and surmount all challenges to complete rollover projects in the new financial year. Despite those challenges the District has successfully spent 100% of its capital grants for the year under review. Other challenges experienced by the District were unaccounted water and losses due high level of illegal/unauthorized connections as well as lack of metering for the water provided to rural areas.

3.2 Waste Water (Sanitation) Provision

The sanitation provision within the district is compounded by the fact that our district is rural in nature and over 80% of our district population depends on pit latrine, chemical toilets and bucket system. For the year under review, the District has provided ventilated improvement pit to 4502 households. In addition, the District commissioned Lusikisiki wastewater treatment works which connected the CBD, police station and hospital unleashing the economic potential for the town.

As much as the district is accelerating its sanitation program there are various challenges that are faced in this regard. These include the land claims that cause delays to major projects, Mthatha Outfall Sewer, Mqanduli Sewer and Libode Waste Water Treatment Works. Moreover, some communities do not understand the entire sewer system and as such reject projects to be closer to the residential area. For example, Flagstaff Sewer Treatment works. The municipality is utilising various strategies to deal with these matters (legal route, expropriations, negotiations and awareness). With regards to provisioning of dry sanitation, the key challenge is that most of them are full. The district is initiating a programme of sludge sucking. Already a service provider has been appointed to pilot the program.

3.3 Electricity

This is not a function of a District municipality, however the district plays a coordinating role. The municipality is a coordinator of the district electricity forum where all stakeholders that include local municipalities, National Department of energy as well as Eskom participate. The table below illustrates progress of electrification over the year:

Local Municipality	2017/18 Connections
King Sabata Dalindyebo (KSD)	3042
Ingquza Hill	2687
Port St Johns	870
Nyandeni	1872
Mhlontlo	294
O.R. Tambo District Municipality	8765

Back as at the end of June 2018 is as follows:

OR Tambo	Remaining Backlog	New Extensions	Current Total Backlog
KSD	6886	2500	9386
Nyandeni	512	2400	2912
PSJ	214	2554	2768
Mhlontlo	1485	6755	8240
Ingquza	0	2800	2800
Total	9097	17009	26106

3.4 Environmental Management and Waste Management

The White Paper on Environmental Management Policy emphasizes the need for implementing an effective information management system that makes environmental information accessible to all interested and affected parties responsible for and/or interested in effective environmental management. In this regard, the O.R. Tambo DM developed an Environmental Management Plan (EMP), which provides a baseline assessment of the main environmental issues and challenges facing the District.

Based on the information obtained from the reviewed EMP, the District Environmental Management and Spatial Planning Technical Forum, working in partnership with DEDEAT, has managed to prioritize programs and develop appropriate action plans and sector plans to respond to the most pressing and threatening issues of environmental management.

These are plans such as IWMP, AQMP, CMP, and Draft Climate Change Response Strategy. It is also in a process of developing two sector plans, which are Estuary Management Plan and biodiversity sector plan. The ORTDM planned a number of training workshops focusing on environmental education to disseminate this environmental information together with practical programs on how to face these environmental challenges and ensure effective environmental management. One of these programs is the Greenest Municipality Competition that starts from the district, provincial and ends nationally. This competition takes place on an annual basis and the district has conducted at least nine competitions until this year.

Summary Plans

- AQMP-Adopted by council and presented/submitted to the Provincial forum (EQM) for endorsement - 2017/2018
- CMP- Adopted by the council and presented/submitted to the Provincial Coastal Committee for its endorsement 2017/18
- IWMP – Adopted by the council and IWMP implementation and projects have been presented to the Waste Forum quarterly (EQM)
- EMP- Adopted and currently under the review Terms of Reference developed for its development
- Estuary Management Plan – Terms of Reference developed for its development
- Climate Change Response Strategy- Draft developed and presented to stakeholders and now awaiting for adoption.
- Biodiversity Sector Plan – Still at terms of reference stage of development

Overall Environmental Governance

Through this pillar, the district has managed to establish more than six **environmental clubs** throughout the district. These enviro clubs have been supported with branded t-shirts, trees, composting powders to make their compost and training for students on tree planting and composting. In partnership with DEDEAT, DEA and other stakeholders, O.R Tambo has managed to host and form part of the Marine Day Celebrations, Coastal Cleaning campaigns and Poaching Awareness throughout the district.

List of Environmental Clubs

1. Merannia J.S.S – Lusikisiki
2. Holy Cross –Flagstaff
3. Zanoxolo – Ngqeleni
4. Bele - Tsolo
5. Walter Sisulu University – Mtata

Environmental Awareness Campaigns

1. Diliza Environmental Awareness Campaign
2. World Environmental Day Celebration
3. Marine Day Celebration
4. Port ST Johns Annual Cleaning Campaign

Air Quality Management

Over the last five years, the O.R Tambo DM as mandated by the National Environmental Management: **Air Quality Management Act** of 2004 has amongst other things managed to develop the first generation Air Quality Management Plan that has been endorsed by the council

and a designated Air Quality Officer for the district. Several Air Quality related complaints have been attended to in the 2017/2018 financial year.

The section also presented the draft Air Quality Management Plan (**AQMP**) at the policy workshop for adoption and several awareness campaigns have been held together with DEDEAT. The O.R Tambo DM continues to participate fully in the Provincial Environmental Management and **Air Quality officers' forum** that sit quarterly to cascade issues to the province.

The District as part of the implementation of its newly adopted Air Quality Management Plan and as part of strengthening the skills for its Air Quality Officials has undergone Air Quality Emissions trainings and capacitation workshops.

Waste management

The function of refuse collection from households, waste disposal and street cleaning is done by the Local Municipalities. The O.R. Tambo District Municipality mainly focuses on co-ordination of waste planning and recycling activities in the district. A regional recycling facility through the IWMP has been identified as the major priority program within the district, which is having its own build-up processes. The involvement of communities in recycling through recycling cooperatives is one of the priority programs building up to the establishment of the regional recycling facility as well as creating jobs in the communities.

The O.R Tambo DM in its 2017/18 financial year has managed to implement the first of its kind project called **Regional Recycling Project**. The uniqueness and nature of the project has attracted attention from all districts to replicate the approach. This project has been successfully implemented and now it's operating smoothly. The district over the five year cycle has managed to review its district Integrated Waste Management Plan (**IWMP**); managed to designate a waste officer; participate in national and provincial waste forums to cascade local waste management issues and 2017/18 it also presented its IWMP to the Policy Workshop. The district has in all times successfully implemented the **Greenest Municipality Competition awards**. The District in 2017/18 has given PSJ position one to compete in the province and the PSJ Municipality managed through the support of the District Managed to get position two in the provincial awards.

The largest capital project that has been planned is the regional recycling program, which is at implementation stage. The program is aiming at employing more than 500 people with direct and indirect jobs. For now that program has already employed more than 60 permanent jobs and more than 240 indirect jobs. This is the first project that has produced a convenient, reliable and people centered market for the customers to sell their recyclables. It provided the highest prices for the waste pickers and ensured the upliftment of all O.R Tambo District Waste pickers and the only project that also has supported and captured all the **waste pickers** into the database.

The District has nine licensed landfill sites, with seven (**Qweqwe, Mqanduli, Libode, Qumbu, Tsolo, Flagstaff and Port St Johns**) landfill sites licensed for operation and two (**Lusikisiki and Mthatha**) landfill sites licensed for closure. All landfill sites except for Libode and Flagstaff have

signage, record waste volumes in the entrances, reporting to the Waste Information system and landfilling. However, the biggest challenge for all the O.R Tambo landfill sites is the compliance with the minimum standard conditions for landfill operation as well as compliance with the license conditions. Port St Johns and Qumbu both have material recovery facilities in their landfill sites.

Continued landfill audits and reporting to the waste information system still pose a challenge to all our landfill sites. The District as a form of ensuring extended landfill space has introduced the concept of transfer station facilities and in 2017/18 financial year the district has managed to license for operation at least three transfer stations (**Tsolo, Ngqeleni & coffee bay**).

Environmental Impact Management

O.R Tambo DM has managed to undergo technical training in order to ensure extensive capacity to do environmental screening of all MIG projects is achieved. The district has managed to comment on EIA application for some of the projects as the district can do. The district has also managed to comment on EIA application for some of the development projects since the district can only be a commenting authority on EIA's.

In 2017/2018 financial year the municipality has managed to develop and produce Screening reports for some of section 116 projects that were to be implemented and this has provided the technical support to the projects as per the regulations of the EIA.

Conservation and biodiversity

The district through the Biodiversity Act of 2003 managed to implement the Alien invasive projects and also has participated in fight against Cycad poaching in Mhlontlo and Port St Johns. The district is in a process of developing Biodiversity Sector to govern all biodiversity related issues in the district. Through also the Environmental Club establishment, the district is also encouraging tree planting in all schools and have supplied all its environmental clubs with trees. The district form part of the Biodiversity (Alien Invasive Species Forum-SANBI FORUM) to discuss all biodiversity issues within the Eastern Cape. The district also participated in all DEDEAT and DAFF awareness campaign such as Diliza awareness Campaign and celebration of World Environmental Day that was held in Bumbane-KSD.

Marine and coastal management

The O.R Tambo District in 2017/18 as mandated by the **Integrated Coastal Management Act 24 of 2010** has among other things been the third district nationally and the first district in the Eastern Cape to establish as per the act the **Municipal Coastal Committee**. The district also is among the first districts to develop **Coastal Management Plan** and has since 2016/17 presented the plan to the Policy Workshop and to the council for its adoption. The district has sustained its sitting for the Coastal Committee; held a Marine Day celebration in partnership with Ingquza Hill Local Municipality in Mbotyi. O.R Tambo together with DEA and DEDEAT has followed up and held site visits to the affected areas such Mthatha River Mouth Sand dune degeneration. The

district Coastal Management Program has also been presented in the Provincial Coastal Committee to be considered for endorsement. The district has participated in Coastal Provincial Forums and technical teams to escalate the issues discussed at the district forum and committees.

Climate Change

As mandated by the White paper on Climate change, the O.R Tambo DM has in 2017/18 managed to develop a draft climate change response strategy for the district and also held several workshops in mainstreaming climate change onto the municipal IDP. In partnership with SALGA and through SALGA working Group on Climate Change the Port St Johns and King Sabata Dalindyebo were selected as the pilot municipalities to participate in South Africa-Canada partnership in an effort to respond to climate change impacts. Several projects together with Canada were selected to be priority in adapting to climate change impacts. The district has participated fully in several BIGM workshops that seek to replicate the Canadian style of project implementation into Port St Johns. The district has been part of the Climate Change bill development by Department of Environmental Affairs and together with O.R Tambo Disaster the section has participated in the Local Government Climate Change Support Program. The district also participated in the development of the Adaptation and Mitigation plans by DEA and DRDAR within the 2017/2018 financial year.

3.5 Human Settlements

Human settlements is the third department with high vacancy rate of 66%. Staff compliment as the end of June 2018 for Human Settlements department is depicted in the table below:

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
35	12	23	66%

The financial performance of this department is shown in the table below:

	2017/18			
Details	Original Budget	Adjustment Budget	Actual	Variance to Budget
Operating Expenditure	R 13,707,237.00	R 14,926,387.99	R	R
Capital Expenditure	R 4,070,000.00	R 3,820,000.00	R	R

The District Municipality as a sphere of government has a role to play in order to ensure that the right to access to adequate housing is realized on a progressive basis as enshrined in the Constitution of the Republic of South Africa, 1996. The Municipal Structures Act no.117 of 1998

also spells out that a District Municipality is expected to build the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking. O.R Tambo is a Municipality which is predominantly rural and is dominated by destitute families who are unable to build their own homes due to various reasons. Among the reasons, the fact that the region is prone to disasters contributes a lot towards having homeless people who are destitute with no means to build their own houses.

It is worth noting that the housing backlog is a moving target due to various reasons like disasters, unemployment, rural set up of the region etc. where by as the department we:-

- Facilitate and co –ordinate the formulation of needs register for Local Municipalities
- Initiate housing projects in consultation with Local Municipalities
- Co- ordinate, plan and develop sustainable Human Settlements
- Co-ordinate and provide housing in response to emergencies, special cases and disaster victims
- Facilitate and provide temporal shelters in Emergency situations

3.5.1 Social Relief

The department constructed and handed over seven (7) electrified social relief houses with rain water tanks, toilets and furniture (beds x2 with full bedding, kitchen cupboard, 2 plate stove and curtains for the whole house) at KSD and Nyandeni Local Municipalities.

3.5.2 Emergency Housing Assistance

The municipality constructed and handed over seven (7) temporal shelters at Ingquza-Hill, PSJ, Nyandeni and KSD LM's.

3.5.3 Adam Kok Farms

A firm of consulting engineers has been appointed to assess work done on site, draw building plans, assess existing level of services, prepare engineering designs for nine (9) housing units and advise the Municipality when necessary, and a contractor was appointed for construction of 09(nine houses).

3.5.4 Training of PDI contractors

A total of 98 (ninety-eight) emerging contractors were trained in KSD ward 21 consisting of forty eight (48) youth and Ingquza Hill LM fifty (50) youth. On the day of handing over their certificates the DM gave the trainees tools. A request has been made to the Provincial Department of Human Settlements to assist the trained youth by providing jobs or be incubated into existing projects.

3.5.5 Consumer education

These are awareness campaigns, where communities are made aware of their rights and responsibilities. A total of **xxxx** consumer education were done in all LMs in various wards.

3.5.6 Financial assistance to emerging contractors

In an attempt to assist emerging contractors, the DM signed a Memorandum of Understanding (MOU) with the Eastern Cape Development Corporation (ECDC) to finance emerging contractors when they are awarded projects.

3.5.7 District Human Settlements Strategy

District Human Settlements Strategy document was done to completion. The strategy was presented to councillors during a workshop, presented to the mayoral committee awaiting council approval.

3.5.8 National Housing Needs Register (NHNR)

The District Municipality plays a pivotal role in assisting KSD and PSJ LMs in successfully capturing more than 5 000 housing register forms, meaning the two aforementioned LMs have an authentic waiting list for housing assistance.

3.5.9 Human Settlements forum

The Department managed to have four (04) information sharing sittings where all political principals and officials from all LMs and the Provincial Department of Human Settlements met to discuss all human settlements development issues.

3.5.10 National Upgrading Support Program

The program is aimed at upgrading informal settlements and the formalisation of shacks into formally established townships. The DM is working with KSD, PSJ and Ingquza-Hill local municipalities as pilot spaces for the implementation of the project. The first phase of the project is valued at R 133.5 million.

3.5.11 Organisational Structure

There has been an identification of critical and scarce skills within the Department Human Settlements which is in need of managers and project managers with technical skills such as engineering, construction and research in order to manage the provision of performance monitoring, technical support and guidance to the Department.

3.5.12 Challenges Identified in the Implementation of the 2017/18 SDBIP

- Poor performance by emerging contractors is a factor, as established contractors are not interested in the construction of low cost houses, because of low profit margins and the limited scope of work.
- The departmental organogram not being fully populated leaves critical posts vacant thereby posing as a threat to progress.
- The cumbersome tender processes are not conducive to emergency situations and are therefore limiting to the redress and distribution of social relief houses and temporal structures to vulnerable groups.
- Unavailability of building material as per NHBRC manual halts timeous progress as contractors are, at times, compelled to source material from other provinces.
- Budgetary constraints mean that there will always be an imbalance in terms of supply and demand. The housing backlog is widening instead of narrowing.
- A MoU has been signed with ECDC and there is a willingness to assist in terms of management and the financial skills of emerging contractors. Resultant of the fact that the DM and ECDC have not reached an amicable solution on the reservations ECDC has in supporting emerging contractors financially, a Service Level Agreement between the DM and ECDC remains unsigned, thereby impacting negatively on the ability of emerging contractors to perform optimally.

5. STRATEGIES IN PLACE, IMPROVEMENT AREAS AND INTERVENTIONS TO CHALLENGES IDENTIFIED

Strategies	Improvement Areas	Interventions
To facilitate speedy procurement of goods and services	<ul style="list-style-type: none"> • Record keeping. • Meet set timeframes. • Constant follow up on requisitions. 	<ul style="list-style-type: none"> • Introduce correspondence delivery register. • Monitor budget expenditure. • Alignment with the district records management system.
Improve work conditions for staff	<ul style="list-style-type: none"> • conducive office space 	<ul style="list-style-type: none"> • Provisioning of offices with office equipment • Procurement of Personal Protective Clothing
Emergency procurement plan	<ul style="list-style-type: none"> • Emergency procurement arrangements. 	<ul style="list-style-type: none"> • Facilitate development of a dedicated emergency procurement plan.
Building Material term contract	<ul style="list-style-type: none"> • Improve time frames in providing housing for social relief housing projects. 	<ul style="list-style-type: none"> • Material will be procured from several service providers and delivered on site for construction of houses.
Filling of critical posts within the Human Settlements Department	<ul style="list-style-type: none"> • Departmental Capacity in implementation of Departmental programs within the SDBIP 	<ul style="list-style-type: none"> • Facilitate in speeding up recruitment of posts

PROPOSED PROJECTS AND PROGRAMMES TO BE IMPLEMENTED IN 2018/19, BUDGET AND SPATIAL LINKAGE

Project	Programme	Budget required 2018/19	LMS to be covered
Informal Settlements upgrading	Township Establishments	R10M	All Municipalities
Construction Skills Development	Women and Youth build program	R2M	All municipalities
Needs identification	National Housing Needs Register Capturing	R500 000	All Municipalities
Rectification of Townships	Untraceable beneficiaries and reconfiguration of the General plan	R5m	All Municipalities

3.6 Free Basic Services and Indigent Support

The O.R. Tambo District Municipality is a predominantly rural municipality and the largest district municipality in South Africa. The district services copious amounts of people, who predominantly live below the bread line. This means that a large number of O.R. Tambo region residents are indigents. Indigents as per Indigent Policy are persons that earn a living wage of R 3000 and below. Indigents for the purposes of the policy are exhaustively defined to include members of child-headed households.

As a Water Services Authority and Provider, the sole mandate of the municipality is to make sure that water is provided to O.R. Tambo home owners. The municipality has developed an Indigent Policy as a guiding document for the provision of free basic services to people.

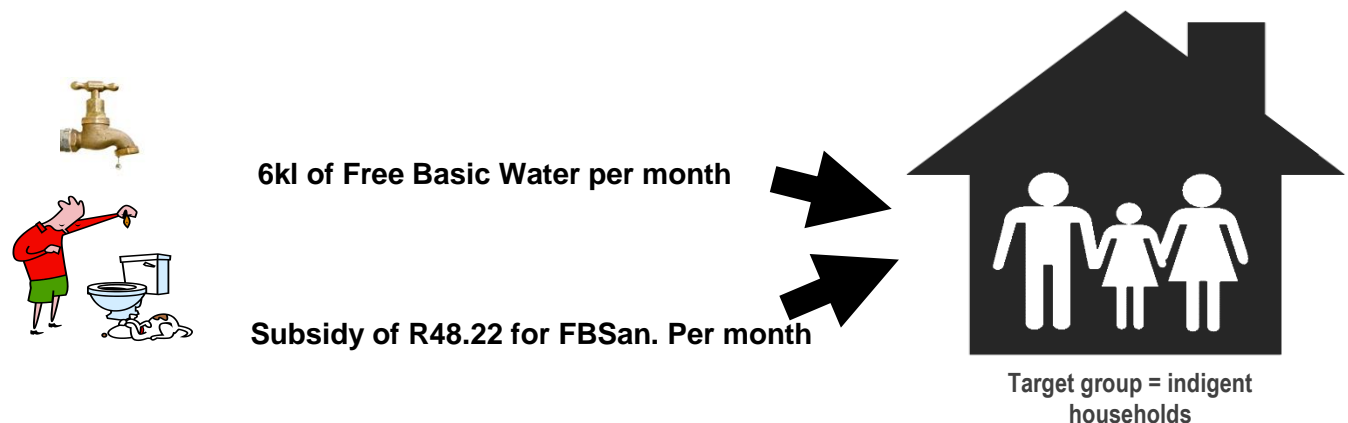
The Constitution of the Republic of South Africa Act, 1996, in the Bill of Rights protects social and economic rights, which include Free Basic Services (FBS). The role of developmental local government in partnership with the other spheres of government, that is, provincial and national, is to ensure the improvement of access of free basic services by the vulnerable groups. FBS are, therefore, a poverty alleviation measure that exists to cushion poor households against vulnerability. Access to these services improve the general well-being of indigent households and improve their health standards and economic circumstances. The implementation of an Indigent Policy becomes a progressive government programme that is critical for social transformation.

The fundamental aim of Indigent Policy is to guide the process of improving access to Free Basic Services by deserving indigent beneficiaries so that their lives can be improved. Establish a manner in which, these residents can be identified and registered in the municipality's indigent register.

The policy also recognizes the need for inter-governmental cooperation to ensure that there is proper coordination in targeting the poor when rolling out these services. The policy should primarily focus on achieving the fundamentals of an efficient and effective Free Basic Services Programme through both the basic alignment of this legislation and the identification of gaps in the current implementation of the Free Basic Services Programme by offering practical solutions to solve these challenges.

The general accepted definition of an indigent, are people who due to a number of factors, are unable to make any monetary contributions towards basic services, no matter how small those amounts. People who earn less than the minimum household joint gross income (two state pension grants), as prescribed by the National Policy from time to time. Indigent refers to those who lack "the necessities of life".

Households who cannot afford the above are considered to be indigent. At this sphere of government, O.R. Tambo DM is obliged to offer the following services to the indigents:



Free Basic Water – FBW

Each qualified indigent beneficiary/household shall receive subsidy to a maximum of 6 kl (6000 liters of water) per month, including the basic charges for such supply; provided that:

- a) Where the consumption exceeds 6 kl per month the municipality shall be entitled to restrict water supply to the property; and
- Where excessive consumption is partly due to leaking or poor plumbing, the municipality may install a yard connection to the outside of the dwelling and meter the consumption.

Free Basic Sanitation – FBSan.

Each qualified indigent beneficiary/household shall be fully subsidised for sanitation as provided for in the annual budget as determined by the municipality. The district municipality provided for a recorded 153 000 people with free basic services in the 2016/17 financial year.

COMPONENT B: ROAD TRANSPORT

Within the District the Technical Services department is responsible for roads, transport, buildings as well as the facilitation of electricity within the District. This department is first with high vacancy rate of 81%. Staff compliment as the end of June 2018 for this department is depicted in the table below:

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
63	12	51	81%

The financial performance of this department is shown in the table below:

	2017/18			
Details	Original Budget	Adjustment Budget	Actual	Variance to Budget
Operating Expenditure	R 22,154,694.00	R 16,263,697.20	R	R
Capital Expenditure	R 12,663,500.00	R 4,963,500.00	R	R

3.7 Roads

3.7.1 Quality Road Infrastructure

The district has heard numerous complaints about the condition of our roads and this poses a huge challenge. Even though the roads are not our core function, we have made several

interventions and the district is in the process of rehabilitating Xabane access road at Mhlontlo and Ngqumrhane access road at Nyandeni Local municipality. Engineering designs of these roads have been completed by consultants and implementation of these projects will be in the 2018/2019 financial year.

3.7.2 Walkways

From the request from Mhlontlo Local Municipality for the district to intervene in the development of walk ways and the project is underway as excavations have been done and material is on site for the EPWP to commence with the construction of the walk ways.

3.7.3 Rural Road Asset Management Systems (RRAMS)

- O.R. Tambo District Municipality appointed Engineering Advice and Services for a period of three years from 2011/12/13/14 financial year for an amount of 5.3 Million. The appointment was for the development of the RRAMS.
- Subsequent to the Technical Services Department Portfolio meeting held on 17 March 2015 the issue of RRAMS was extensively dealt and the aspect of the service provider was raised as the contract had expired. MMC Technical Services instructed Director Technical Services to solicit services of another service provider, Director for Technical Services took it upon herself to solicit the services of a suitable service provider. This process delayed and the department tried to solicit paragraph 32 from other municipalities (Sedibeng).
- Response on this matter did not materialize as the work is for development of the system and new provider will mean starting afresh. This affected the transfer conditions of the RRAMS grant as the District Municipality could not provide proof of a suitable service provider and a finalised business plan.
- National Treasury issued intention to stop the grant on the bases that there has been no commitment from the municipality since 2015.
- The 2017/18 Business plan has been submitted to the National Department of Transport on the 15 March 2017 as one of the requirements of the Rural Asset Management Systems.
- Procurement processes have started and a service provider was appointed before the 30 June 2018.
- Contact details of the District Municipality official responsible for RRAMS grant allocation has been forwarded to the National Department of Transport.

3.8 Transport

The district municipality has made an intervention in resolving the Taxi violence rank closure by the Minister for Police. This was done by the intervention of the Executive Mayor convening four stakeholder meetings to mitigate in the suspension of taxi operations in the district. The suspension was lifted after deliberations with the members of the taxi industry and special conditions were imposed to the operators. Plans are being developed to remedy this situation as the institution is busy with the development of the Integrated Public Transport Network Plan (IPTN) to improve transport infrastructure, operations and provision of subsidy.

3.9 Buildings

Construction of the O.R Tambo Disaster Centre is underway as the design stage has been completed and is due for construction in the 2018/19 financial year at Nyandeni Local Municipality.

3.10 Waste Water (Storm water Drainage)

Not applicable to the District Municipality as storm water is a competency of the local municipality.

COMPONENT C: PLANNING AND DEVELOPMENT

Planning and Local Economic Development in the District is housed under Rural Economic and Development Planning (REDP). This department is the second with high vacancy rate of 77%. Staff compliment as the end of June 2018 for this department is depicted in the table below:

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
107	25	82	77%

The financial performance of this department is shown in the table below:

	2017/18			
Details	Original Budget	Adjustment Budget	Actual	Variance to Budget
Operating Expenditure	R 133,477,697.00	R 136,890,115.30	R	R
Capital Expenditure	R 3,600,000.00	R 3,600,000.00	R	R

3.11 Planning

O.R. Tambo District Municipality's Planning Unit is charged to provide support to local municipalities under its area of jurisdiction with the aim of improving their planning capacities. This support seeks to provide a well-coordinated approach to balance the need for rapid development with orderly sustainable development. The Spatial Planning and Land Use Management Unit assists local municipalities with Town And Regional Planning Services in respect of policy formulation, proper land use development taking into account social, economic, and physical factors, the aim being to establish the basis on which one can create a positive environment for development initiatives; and to ensure sustainable and orderly land utilization and development through the development of Spatial Development Frameworks (Regional, District Municipality, Local Municipality, Local Nodes), Precinct Plans, Land Use Management Systems etc.

Towards the end of the 2017/16 financial year the O.R. Tambo District Municipality appointed a service provider to review the O.R. Tambo District Municipality Spatial Development Framework.

The review was then finalized in the 2017/18 financial year. The District SDF review was done in line with the requirements of the Spatial Planning and Land Use Management Act No.16 of 2013 (SPLUMA) which requires that it should focus on being a long term plan for the municipality. Amongst other things, the review also aligned the SDF with the newly developed District Development Plan, Integrated Development Plan as well as the newly developed Provincial Spatial Development Framework.

Some Local Municipalities (Ingquza Hill LM, Nyandeni LM, and KSD LM) under the O.R. Tambo District Municipality also undertook their processes to review their SDFs in the 2017/18 financial year, in line with SPLUMA requirements. The review of the Local Municipality Spatial Development Frameworks (including LSDFs and Precinct Plans) to meet SPLUMA requirements cannot be overstated, as these directly inform the development of comprehensive Land Use Management Systems (LUMS) that are wall to wall, covering areas beyond municipal commonages which were not previously catered for by the planning legislations.

It is in this regard that in the 2017/18 the District Municipality also took initiative to assist Local Municipalities through funding for the development of Local Spatial Development Frameworks (LSDFs) for key strategic nodes of the Mzimvubu Catchment Node (Ntabelanga and Lalení Dam).

The establishment of the District Planners Forum, with members from all LMs, DM, EC-CoGTA, DRDLR (Province) and SALGA has proved to be a success in unlocking challenges faced by the municipalities regarding the spatial planning, land use management, land survey, and GIS issues. The Planners Forum is technical in nature, addressing day to day challenges faced by Planners, and it has been very instrumental in the fast-tracking of SPLUMA implementation by the municipalities.

Some of the achievements that have been identified through the previous DM's SDF implementation include:

- Enhanced Interventions and co-operation by the national and provincial spheres of government
- KSD O.R Tambo DM declared a presidential node
- Lubala -Mhlontlo rural development initiatives
- Mthatha Town facelift
- R5bn capital injection for KSD & the Mthatha town
- Small Towns Revitalization Programme
- Mthatha airport Development
- The Lusikisiki Town Planning,
- Ngqeleni Town Precinct Plan
- Libode/Ntlaza LSDF
- Langeni LSDF
- Viedgesville/Mqanduli LSDF
- Western Mthatha LSDF

- Coffee Bay LSDF
- Port St Johns Tidal Pool planning in progress

There is still a challenge for the municipalities to fund for the development of SDFs. In some instances even when the SDF or a precinct plan has been developed there is rarely a commitment from municipalities and other parties to make a follow up on the implementation of the proposals from those plans. The other challenge relates to the projects from National Government which tend to have no coordinators placed at a District and or Provincial level, resulting in poor coordination, and alignment. This therefore affects municipalities, as they are unable to properly plan and align their programs to fully benefit from such National projects.

The SPLUMA requires that local municipalities should develop Land Use management Systems (LUMS) covering areas within their jurisdiction, within five years from the 1st July 2015. One of the challenges for the municipalities is the lack of funding to undertake such activity. Another challenge, which hampers municipalities, is a phenomenon of relating to complex land administration. Land administration in the district vests in different structures (municipal commonages, State land/communal land, and private land) and some of the challenges that have been noted are as follows:-

- Unclear Land Management Roles & Responsibilities
- LMs have limited planning and LUM capacity
- LMs have limited authority in rural areas (No policies means no enforcement)
- Un-managed settlement formation as a result of in land “Informal” trading.
- No link between planned development and sustainable provision of services
- Environmental Management not taken seriously thereby threatening natural resources that are a critical comparative advantage in ORTDM

Another challenge is that areas that fall out of commonages are still not well managed as a result of the past planning systems, which were only urban based. It is envisaged that the full SPLUMA implementation in the form of comprehensive wall-to-wall LUMS will rectify this situation.

Despite the above listed challenges there are strategies that are planned for the next financial year (2018/19). Those include the SDF updates by all LMs particularly PSJ LM, LSDFs for key strategic nodes of the District projects such as Mpande Node, and Ntlangano Node (PSJ LM), Ntlangano Node (Mhlontlo LM, Ingquza Hill LM, Ntabankulu LM, and Mzimvubu LM). A Precinct plan is also planned for Ntlaza Node (NyandeniLM). Other strategies that have been encouraged include the infill development, locating settlements near the existing road networks, nodal and corridor development.

3.11.1 Spatial Planning and Land Use Management

The O.R. Tambo District Municipality is located in the eastern part of the Eastern Cape Province, bound by the Indian Ocean to the East and the Mhlahlane and Baziya mountains behind Tsolo, and Qumbu to the west. The District encompasses diversity in physical landscape, land use and

access to economic opportunities. Agricultural development forms part of the DM's competitive advantage due to its temperature and soil. The coast is an excellent tourist attraction, with a number of resorts and hotels already in existence. Some of the challenges faced by the district with regard to economic development and physical planning include: Lack of skills resulting to unemployment in the key sectors of the economy, high illiteracy rate, diseases such as HIV/AIDS, poor infrastructure, lack of incentives to industries, land claims, crime and an inefficient public transport system & network

The Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) was assented by the President of the Republic of South Africa on the 05 August 2013, and it came into effect on the 1st July 2015. SPLUMA provides for:-

- a) A framework for a Planning System for the country (Sec2 [2])
- b) Development Principles (Sec 7)
- c) Policies and legislation (Sec 6)
- d) Spatial Development Frameworks (Chapter 4)
- e) Land Use Management through Schemes (Chapter 5)
- f) Land Development Management (Chapter 6)
- g) Other provisions (Chapter 7)

SPLUMA Applies to the entire area of the Republic as a supreme law on spatial planning and land use management. SPLUMA is meant to address racially based pre-1994 planning legislations, as well as to repeal most of them. SPLUMA came into effect on the 01 July 2015, and Local Municipal Councils in the District took resolutions on the establishment of the Municipal Planning Tribunals as required by the Act. Their resolutions were as follows: Ingquza-Hill LM and Port St. Johns LM formed a Joint Municipal Planning Tribunal, Nyandeni and Mhlontlo resolved to work with the District Municipality to form a District Planning Tribunal, and KSD resolved to have a Single Municipal Planning Tribunal.

In order for SPLUMA to be effectively implemented key milestones have to be achieved, and these include the appointing Authorized Official, Adoption and to Gazette By-Laws, deciding on the Municipal Planning Tribunal option, Call for nominations, Gazette MPT, Establish Appeal Authority, Set Tariffs and Capacity Building.

The progress to date on SPLUMA implementation is as follows:

- All municipalities under the O.R. Tambo District Municipality adopted and gazetted their SPLUMA By-Laws
- All Municipalities except KSD have appointed their Municipal Planning Tribunals and gazetted their names
- The Service Level Agreement was signed by the O.R. Tambo DMPT member municipalities (DM, Mhlontlo and Nyandeni LM) in the 2017/18 financial year

- Training for the O.R. Tambo DMPT and Ingquza Hill and PSJ Joint MPT was conducted in the last quarter of 2017/18 financial year with the assistance from DRDLR, SALGA and EC-CoGTA
- KSD LM is in a process of vetting the names appointed by the Council. They hope to gazette their names in the second quarter of 2018/19 financial year.
- All Local Municipalities have appointed their Authorised Officials and Appeal Authorities
- The District is facilitating for the signing of the SLA by O.R. Tambo District Municipality, Mhlontlo and Nyandeni LM. Its finalisation is expected by the second quarter of 2017/18 financial year.

For quite some time (1st July 2015 when Municipalities started SPLUMA implementation) the Local Municipalities under the District experienced a challenge with Traditional Leaders who serve in the LM Councils who would stage walk-outs when SPLUMA issues were being tabled in their Councils. This has resulted into considerable delays more especially for Nyandeni LM. Traditional Leaders were not happy with the process of consultation through the development of the Act by DRDLR.

The District Municipality through its Joint LED, Spatial Planning and Environmental Management Forum chaired by MMC Sabona has managed in the 2017/18 to engage with the Traditional Leaders sitting in the O.R. Tambo DM Council, convincing them to allow for the District to conduct consultation at a District level. Traditional Leaders approved the proposed Action Plan, which is expected to be implemented in the 2018/19 financial year.

3.12 Local Economic Development

LED in the O.R. Tambo Region seeks to promote sustainable socio-economic community driven programs. The O.R. Tambo District further operates on principles that are focused on pursuing and building on the district's latent strengths and competitive advantages. Latent strengths relate to those forms of economic activities that the district has a significantly untapped developmental potential such as its landscapes and tourism potential.

According to Section 152 (1) (c), of South African Constitution under Local Economic Development Objective, it mandates that Local Economic Development should promote social and economic development.

LED in the district therefore seeks to grow the economy based on presently unrealized, under-realized and unexploited development potential, which represent a low hanging fruit. It is through such a perspective that factors such as local knowledge and skills, as well as communal aptitudes and capabilities are prioritized to drive economic growth and development.

LED for O.R. Tambo also seeks to provide support for the needs of local communities in pursuance of improving the quality of life within the district through facilitation of local economic development. Whilst micro-enterprises have absorbed large numbers of unemployed people, they are in themselves not always able to generate appropriately remunerated long-term jobs. As part

carrying the above responsibility, the LED section is divided into two units i.e. Informal Trade and SMME development, and Rural Economic Development, Research and Resource Mobilization (REDRRM). The REDRRM unit has three subunits i.e. Rural Development (mainly agriculture), Research, and Resource Mobilization. The Rural Development subunit deals with rural development in general, and agriculture in particular. The Research subunit deals with gathering of data and researched information useful for economic development and Aquaculture Development. The Resource Mobilization deals with mobilizing extra resources as municipal budget is not enough to cover all the needs.

Ntinga O.R Tambo Development Agency is the O.R Tambo DM municipal Entity, which is mainly focusing on implementing the district's key LED initiatives for poverty alleviation and business development and support.

The District Municipality utilized its budget to undertake the following critical activities as per the IDP targets:

- I. To boost agricultural contribution and to improve food security in the district through number of Agro-Industrial Programs developed and implemented.
- II. Through Enterprise Development, number of programs were implemented including District Informal Traders Summit which later resulted into O.R Tambo District hosting successfully a Provincial Informal Traders Summit.
- III. A continuous partnership with Furntech which commenced in the 2015/2016 financial year end has bear some fruits by training 10 more incubates from five local municipalities into furniture manufacturing. The Forestry Development Strategy has been developed and completed and some projects are currently being scrutinized by RID forum for investment attraction in the upcoming investment conference to be held in 2018/19 year.
The success story is that, Forestry Strategy has been developed in 2017/18 year and as part of implementation, few projects are under consideration for investment conference and there indications of interest from some few investors both local and abroad.
The challenge is the lack of visibility of Department of Forestry with its programs within the district and lack of investment on forestry and forestation.
The strategy on forestry was developed precisely to address the challenge mentioned above among others and investment programs are being through organizing investment conference and beyond as part of implementing the implementation plan.
The District Municipality in 2018/19 year is focusing on coordinating establishment of furniture hub centre which will support furntek programs and increase establishment and development of forestry in general through identifying pieces of land available for forestry plantation.
- IV. To promote the oceans economy, the District Municipality in partnership with Department of Agriculture, Forestry and Fisheries implemented various programs under operation pakisa which include training of 34 villages (more than 2370 individuals) which are currently being assisted to register aquaculture co-operatives and will be granted fishing rights instead of permits for ten-fifteen years.

Access to agricultural facilities for emerging farmers is one of the key initiatives in tapping on the

Comparative advantage of the District. Ongoing consultations and assistance with the informal trade sector including street trading is gaining momentum which emanated from the District's partnership with the Region of Tuscany, Italy which commenced in 2012 /2013 financial year end and soon after the program phased out, ORTDM carried on supporting informal traders by purchasing Tables, Stands, Chairs Gazibos and even Umbrellas for street traders at Nyandeni and PSJ Local Municipality. More training and awareness workshops are planned in partnership with the Department of Small Business Development (DSBD) and International Labour Organisation (ILO) for promotion of coordination within local association and further advised for the formation a movement that would represent informal traders at a district level. Another ongoing initiative is the graduating of informal traders to register their small business and to benefit by being part of the mainstream economy.

3.12.1 LED Infrastructure and Investment Promotion

As part of the District coordinating work, the Regional Industrial Development Forum (RIDF) was established to identify sectors with low hanging fruit and attract investors to those arrears whilst dealing with medium and long-term LED matters. The RIP forum is adding to the LED forum, which sits quarterly to co-ordinate all the economic sectors and development agencies. Besides seedlings, fertilizer and other imputes, Co-operatives were supported in renovating their structures; provide water tanks, installation of boreholes, ram pump, fencing, chicken cages and etc. as a program, which intends to uplift our Co-ops within the District. This resulted to twenty (24) SMME/Co-operatives being supported in 2017/18 financial and such support will be extended in 2018/19 and 2019/20 years to ensure that they are able to enter the main stream economy and create sustainable jobs.

This number of co-operatives supported is the success story comparing with small number of co-operatives supported. These co-operatives are going to receive support from the district in 2018/19 again to ensure they are able to sustain themselves and create descent jobs for their members and communities.

The challenges are that, there is lack of entrepreneurial knowledge, lack of basic financial knowledge, Lack of marketing skills, lack basic production knowledge and lastly lack of funding.

In 2018/19 there is a plan for capacity building focusing primarily on arears mentioned above and this program will continue in the year 2018/19 together funding support received through co-ordination. Once trained properly, these co-operatives will be exposed to networking with private funders.

In 2018/19, we will continue with our support to co-operatives mentioned above but also include new applications.

3.12.2 Agro-Processing & Facilities

As part of revitalizing and promoting agricultural development within the District, the District Agri-

Parks Operational Task Team (Dapott) has been established with the collaboration of Department of Rural Development and Land Reform to spearhead implementation of the Agri-Parks programs which are a National Government initiative to revive Agriculture in all District municipalities across the country. As a result, farmers across the District have been brought together to form a structure called 'District Agri-Parks Management Committee' (DAMC) whose purpose is to advise on the implementation of Agri-Parks programs. The program has three elements i.e. Farmer Production Support Units (FPSUs) which will be implemented in all LMs, Hub centre in Lambasi and Rural Urban Market Centre (RUMC) which the Dapott agreed to locate it in KSD LM. This is an infrastructure program designed to promote Agri-Processing program within the District. In collaboration with farmers, LMs, DRDAR and DRDLR and DM, FPSUs site have been identified in Tsolo junction under Mhlontlo LM, Mqanduli Red Hub under KSD LM, Edumasi Under PSJ LM, Zalu-Hill under Ingquza LM, Mafini under Nyandeni LM, and further farmer mobilization program held across all LM's except KSD LM. As part of implementing Agri-Parks Program, the District Municipality with its partners completed Lambasi Hub business plan, Tsolo Junction FPSU (Mhlontlo LM) and Dumasi FPSU (PSJ LM) business plans were completed in 2017/18 and is expected to start implementation in 2018/19 year. As part resource mobilization, the District Municipality is in partnership with Anglo-Gold Ashanti which resulted in R10 million being invested in Amampondo Asemalangenani Maize project. As a result, three co-operatives were formed which benefit from the project and the project feeds into broader Agri-Parks program.

The success story is that, it's for the first time where we see tangible program on Agri-Parks where we can produce completed business plans for Lambasi Hub Centre, Tsolo Junction FPSU and Dumasi FPSU business plans completed. The next phase is infrastructure establishment in these FPSUs. Through working together with Department of Rural Development and Land Reform an amount R15 million was invested by DRDLR in the O.R Tambo Region for various programs including business plans.

Another success story is the partnership between Anglo-Gold Ashanti and O.R Tambo District Municipality which resulted in R10 million investment in Amampondo Asemalangenani Maize Project with its community beneficiation model where three co-operatives are benefiting in the project.

The challenges for programs above is that, Agri-Parks program lacks funding and it has taken too long to take off the ground since it was promulgated. The co-ordination and buy in of the program by relevant stakeholders is one of key challenges.

Through co-ordination effort, relevant stakeholders are now coming on board and through IGR more stakeholders are participating and resources are shared, and the program is expected to be in full swing in 2018/19 year. Three other business plans for Ingquza LM, Nyandeni LM, and KSD LM are expected to be done in 2018/19 year while establishing infrastructure in Tsolo Junction and Dumasi FPSUs. The challenge in Emalangenani Project was theft and harvesting method, however, they been addressed through community and service provider engagements. In 2018/19, the plan is to sustain the good relations between the project and communities.

3.12.3 Forestry & Timber Production

- I. As the IDP and other Strategic documents of the DM have identified Forestry and Timber, **a Forest Development Strategy is being developed and adopted by Municipal structures.** The document provides implementation plan and clear projects proposal, which would take the District forward in terms of developing this sector and create job opportunities for our communities. As a result, the RID forum has identified this sector for an incubation program with low hanging fruits and ten people have been trained **with FURNTECH** with a collaboration of KSD LM, ECDC and DM. The Forestry Development Strategy has been developed and completed and some projects are currently being scrutinized by RID forum for investment attraction in the upcoming investment conference to be held in 2018/19 year. The success story is that, Forestry Strategy has been developed in 2017/18 year and as part of implementation, few projects are under consideration for investment conference and there indications of interest from some few investors both local and abroad. The challenge is the lack of visibility of Department of Forestry with its programs within the district and lack of investment on forestry and forestation. The strategy on forestry was developed precisely to address the challenge mentioned above among others and investment programs are being through organizing investment conference and beyond as part of implementing the implementation plan. The District Municipality in 2018/19 year is focusing on coordinating establishment of furniture hub centre which will support furntek programs and increase establishment and development of forestry in general through identifying pieces of land available for forestry plantation. The key few programs under the forestry sector are being scrutinized by the RID forum for purposes of attracting investors and an investment conference is earmarked for 2018/19 year.

3.12.4 Mari-Culture & Aquaculture Industry

The District strategic documents identified this sector as one among others, which has not yet been used to its full potential yet it has a major opportunity of boosting the economy of the District. As such 26 enterprises on this sector have been trained in the year 2017. In taking the advantage of N2 Wild Coast Road and in collaboration with partners on this sector, a process of producing/developing a strategy is underway and will be completed in 2017/18 financial year. The Aquaculture strategy was started at the end of 2017/18 and will be completed in 2018/19 year. As part of implementing some parts of the strategy, the District Municipality in collaboration with DAFF conducted training as part of capacity building in thirty four (34) villages along the coast and are currently being assisted to register co-operatives through DAFF and more than 2300 people are likely to benefit as they are going to be given fishing rights for ten-fifteen years and permits that are renewed annually for commercial purposes. This would help the co-operatives/individuals not only to fish for subsistence but also for commercial purposes and help to create sustainable jobs and improve quality of life.

The success story is that, as this is a new sector in which the government is focusing on, a strategy development has been started and will be completed in 2018/19 year. In 2018/19 year 34 villages

(2370 individuals) in the coast have been capacitated and are assisted to register their co-operative on aquaculture and after completion, they would be given fishing rights and permits for commercial purposes rather than subsistence.

The challenge is that, this is a sector predominantly dominated by whites and is not fully transformed to include historically disadvantage individuals. Researched information is not easily available. The Enterprises/Co-operatives in this sector lack skills, equipment and facilities, rights and permits to enter the mainstream economy in this sector.

The capacity building has been conducted and now are being assisted with co-ops registration and will be given fishing rights and permits in order to fish for commercial purposes as part of solutions to their challenges. The district is coordinating other departments and private sector to provide funding assistance to these co-operatives. Some projects are being scrutinized for investment attraction in the coming investment conference and beyond. Part of capacity building would ensure, that these co-ops are able to network with funders on their own.

In 2018/19 year, we plan to continue with engagement of the villages/co-operatives mentioned above to address their challenges. The aquaculture strategy development will be done and completed. The district will conduct a feasibility study for the entire district on aquaculture as part of gathering an information that will be useful in the development of the sector.

3.12.5 Maximize Local Employment

The municipality is in a process of implementing Expanded Public Works Program (EPWP) which is aimed at job creation and poverty alleviation for the needy people of O.R Tambo by establishing projects and programs that are labour intensive. The district has adopted a policy that says all its infrastructure projects should be 100% EPWP compliant and all directors have signed performance contract that are binding them to create job opportunities in their daily activities and programs. In the 2016-17 financial year the district targeted to create 300 EPWP job opportunities and yet achieved 460. In the implementation of the infrastructure projects the municipality have achieved 1701 which is a bit lesser than what was targeted. However the municipality is planning to improve in this achievement through assistance from the various stakeholders and the departments within the municipality.

3.12.6 Tourism Development and Marketing

Tourism marketing is critical to the competitiveness of the tourism sector. The **National Tourism Sector Strategy (NTSS)** states that; *the role of Local Government in the tourism sector is to manage assets such as public land, and to provide important infrastructure.*

- *Create awareness through campaigns, using appointed advertising agencies, the public broadcaster, radio stations, social media, etc.*
- *Engage the Department of Basic Education to develop a school tour programme, possibly integrated with, for example, the curriculum for Life Orientation in the early high-school*

grades. Take into account any existing programmes; investigate funding from sponsorships/AID, and develop the programme.

- *Develop an exchange programme where employees in enterprises within the industry visit another industry operator to experience holiday-making and/or visiting attractions. Use off-season and low season periods, when both labour and capacity are available. Look for transport/funding sponsors.*

The key focus for the 2017/18 financial year are as follows:

Tourism Marketing.

The program is aimed at marketing O.R Tambo as a tourist's destination and local, national and international level.

In terms of marketing the 2018 Tourism Indaba was attended by 10 Local Tourism Organization members from 5 different LMs to market their product offerings and establishments in the national and international annual event. A reprint of 1000 copies for tourism marketing brochure was done and it was distributed during these major events and in the strategic Visitors Information Centers (VICs), and accommodation establishments in the province. The tourism unit website was developed and it is up and running though it needs some update on information population.

A street map/tourist map was developed of 20 000 copies and distributed around the province, including petrol stations, airports and information centres.

The district also assisted the Mthatha Visitor Information Center with staff (information officers).

Tourism Research and Development:

The programme seeks to audit and facilitate the provision infrastructure to and at tourist sites, e.g. roads, signage, water and sanitation, electricity, ablution facilities, viewing sites and amenities, and the overall destination management. Facilitate and coordinates activities and key deliverables associated with tourism support factors. The programme is meant to improve or expand our tourism product or operation to fit identified trends in global tourism and to position our local business to meet future market demands. Works hand in hand with arts, culture and heritage section in terms of research, information and management systems. Visit arrivals, trends, destination marketing (print media, website, social media, exhibitions, shows, and identify platforms). As a result of this program for the 2017/18 financial year 30 signage to the identified tourists attractions were developed and erected in all Local Municipality accordingly and the move was the results of the infrastructure audit exercises that are being conducted by the unit to address the lack of signage in our attractions. The signage was erected in following areas: Malunga park, Lodge , Back Parkers and Caravan park, Mkhambathi nature Reserve, Ndwedwe lodge, Mngazana Estuary, Poenskop Beach, Gold Club, Visitor information center, 2nd Beach and 3rd Beach, Welcome to Ntlangano Conservancy, Nyandeni Great Place, Mdumbi Kayaking. Mthatha Mouth, Bantu Creations b&b, Summer pride b&b, St Cuthbert's Mission, Mhlontlo Hintaland, Baby

Hole in the Wall,x2, Mapuzi caves x2, Agape Beach, Port St Johns shell art.

Tourism Education and Awareness

Campaigns to create awareness focusing on host communities (where there are tourist activities), use of media (print and electronic) to engage learners and public to debate and support the cause for tourism. Holding tourism and cultural events, safety and security related activities with SAPS.

An annual tourism beach sport competition was held for the 3rd time since its inception in 2014/15 in PSJ. This tournament was held to educate the communities about the importance of taking part in tourism development as the domestic tourists in their own areas and how to treat tourists from outside. It also create the awareness on the importance of keeping our own natural resources like the untapped vegetation for filming industry and unspoiled beaches for tourism sport activities. The tournament involve the different codes of tourism sports like; beach soccer, volley ball, beach netball, beach aerobics and beach Boot camp, these codes are being played by the youth from different LMs of O.R Tambo District. This tournament also uplift local economy as the locals come and sell during the event, SMMEs of the identified local municipality to render services during the day of the event and lastly accommodation establishments of the area increase their occupancy rate during this time. School competition for the overall district with winners was as follows:

Awarding of the Tourism Students who entered the competing that targeted the overall O.R. Tambo Region were:

- Mankankwa Abongile from Ntafufu SSS
- Wonder Gwini from Mtweni SSS
- Mosuli Mabetshe form Mthweni SSS
- Thokozani Nomthongo Mthweni SSS.
- The Students to be awarded are from Nyandeni Local Municipality who have participated in the Public Speaking Competition that was held Airport Hangers Provincial Tourism Careers expo also competed at Nyandeni on the 13 September 2017 the following schools participated:
 - Nyangilzwe SSS
 - DZ Dumezweni SSS
 - Cibeni SSS
 - Phondolwendlovu SSS
 - Tutar Ndamase SSS
 - Sehushe SSS
 - Victor Poto SSS

Tourism Awards winners are as follows
:

Category	Municipality to Nominate	Name of Award Winner	Ward	Contact Details
Best Massage Spa Treatment	Port St Johns	Ntaba River Lodge	6	083 453 7375
Best Life guard	Port St Johns	Mzoxolo Qwalela	6	064 890 8597
Best Tourism Association/Forum/LTO	Port St Johns	PSJ Tourism Forum	6	047 564 1741
Best Woman in Tourism	KSD	ZQ Bed and Breakfast	6	082 823 4150/084 505 2407
Best Night Spot/Night Life Facility	KSD	So What Lounge	6	071 191 9645073 169 5291
Best Felling Station/Garage	KSD	Ultra City Shell Garage	5	047 537 0761
Best Hotel	KSD	Ocean View Hotel	24	047 575 2005
Best Conference Centre	Nyandeni	Dan's Country Lodge	1	0834758307
Best Backpacker	Nyandeni	Mdumbi Backpackers	26	083 461 1834

A number of the local SMME'S were supported in the forms of the events: Mthatha Bikers Rally, Iziko pot of Gold culinary experience, six day hiking trail launch, National Tourism Careers Expo, Provincial Tourism Careers expo, O.R Tambo carnival.

3.12.7 Visual Arts and Craft Development

The program enables members of the visual arts and craft community to promote their work and showcase their product to national and international markets and it also stimulate and strengthen the local economy. The program also aims at promoting and providing opportunities for visual artists and crafters in all disciplines to develop their art and talent in order to improve economic and other development opportunities. Access to markets is facilitated through the exhibitions, craft hubs, flea market events, cultural events as well as a business linkages program.

Identifying potential projects, new marketing opportunities. Assessment of skills, improving quality of craft products and capacity building.

The Department of Sport, Recreation, Arts and Culture in partnership with the Department of Rural Development and Land reform, Eastern Cape Development Corporation, Small Enterprise Development Agency and Eastern Cape Provincial Arts and Culture Council, Amathole District Municipality and O.R. Tambo Municipality presented the Eastern Cape Craft Collection under the political selected theme celebrating 100 years of Tata Nelson Rolihlahla Mandela and Mama Albertina Sisulu.

In 2017/18, the District Municipality supported 10 crafters from the region who attended the annual

National Arts Festival (**NAFEST**) in Grahamstown on behalf of our 5 local municipalities, the selected crafters by the LMs and Department of Sport, Recreation, Arts and Culture (**DSRAC**) were selling handmade products which were selected from various projects and co-operatives in all LM. The DM assisted the crafters by securing exhibition stalls, transport, accommodation, display equipment, promotional and marketing material and transportation of handmade products to Grahamstown. They sold a lot of products during the event and they also came back with a number of orders to work on. The O.R Tambo Cultural Carnival and Music Festival was held in Savoy Park and the crafters and visual artists had a platform to show case their talent and to sell their handmade products. There was also Mangaung African Cultural Festival (**MACUFE**) 2017 which is also another platform for Arts and Crafts market. 08 visual artists including crafters were supported to attend the event including individual visual artists. The exhibition space, display equipment and promotional material was procured by the District on behalf of the artists, crafters and SMMEs to showcase and sell their products. The market responded very well to the products some of the items were sold out and orders were issued in huge numbers.

3.12.8 Tourism Intergovernmental Relations and Collaborations;



The District Municipality also works hand in glove with its Local Municipalities and Sector departments on a number of programs that are implemented throughout the district. The ECPTA, National Department of Tourism, DSRAC and DEDEAT provides support and partnership on events support (Signature events and Regional Events) such as the Isingqisethu Wild coast Cultural Festival. Organizers are usually requested to submit proposals. The agency also supports SMME in the following ways:-

- Facilitating capacity building for tourism products
- Create marketing platforms for SMME's during exhibition shows i.e. Tourism Indaba; gateway travel show
- Facilitate quality assurance through grading for accommodation and camping sites thereby ore providing 50% subsidy
- Increase tourism, environment and conservation awareness in schools and communities
- Community tourism support – institutional guidance and operations using viable models like Community Public Partnership (Chwebeni Cultural village)
- Create partnerships with SMME's around nature reserve so that they can provide services
- Provide necessary support to municipalities on tourism related activities
- Development of a business plan for Amatyangqina Horse racing centre in Qunu
- Upgrade of the Wild Coast hiking trail from Port St John's to Coffee Bay (construction of a check in office in Port St John's, construction of hikers huts at Mngazana and Mpande, renovation of hikers huts at Hluleka and alien clearing, signage on the trail)
- Nelson Mandela trail development i.e. Qunu, Mqhekezweni and Mvezo sites.

Some of the major challenges with regards to tourism in the district is the poor access roads to tourism destinations and nature reserves; inadequate bulk services; inadequate intergovernmental relations and the lack of co-operative marketing efforts for the region. Although there are some challenges, the district also poses a number of investment potential with the

district unique selling position being the convergence of the biodiversity and coast puts the Wild Coast in a clan of its own. The pristine environment favored by the suitable climate contributes to the uniqueness of the offering. These investment opportunities include:

- **Mkhambathi** – 7700 ha (agreement signed to expand by 3500ha) and potential of 5 development nodes:-
 - Phase 1 concluded R65mil private sector investment
 - Phase 2 is currently underway to investment opportunity.
 - Game offerings and those to be introduced
- **Silaka Nature Reserve** - 400 ha located in Port St John's has 18 chalets and is a 3 star graded accommodation and has conference facilities. Opportunity to provide (food & meals).
- **Hluleka Nature Reserve** - 7 Chalets, 10 campsites, Hiking trail and 5 hikers huts and game: Redhartebeest, Zebra, Blesbuck, Reedbuck. The design of the new chalets for expansion is complete.
- **Nduli/Luchaba Nature Reserve** - 84 seat conference facility and restaurant the next phase being the development of chalets is underway.

SILAKKA – CONFERENCE FACILITY	NDULI/LUCHABA
	

One of the responsibilities of the ECPTA is the management of Marine Protected Areas (MPA). MPAs are important areas for biodiversity conservation as they protect representative samples of genetic diversity. They protect ecosystems and ecosystem processes and often they are important fish spawning areas. Protecting these waters therefore lead to increased fish growth, increased fish reproduction and survival. Adjacent areas benefit due to a spillover effect. This leads to high biodiversity value (species diversity) and economic value (tourism, sustainable use of resources). MPAs serve as benchmark areas against which any environmental change can be measured. It is important to balance conservation priorities with sustainable livelihoods of surrounding communities for effective management of MPA's.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

Community Services as a Department is responsible for the advancement of basic service delivery objectives and outcomes within the District Municipality. The community services

department focuses on areas that provide a sustainable improvement in the welfare of human beings and their basic livelihood. The department focuses on an array of services which are: Sports, Recreation, Arts, Culture & Heritage; Libraries, Education and Information services; Community Safety; Disaster & Fire Services; Municipal Health Services et cetera.

This department has a vacancy rate of 18%. Staff compliment as the end of June 2018 for Human Settlements department is depicted in the table below:

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
175	144	31	18%

The financial performance of this department is shown in the table below:

	2017/18			
Details	Original Budget	Adjustment Budget	Actual	Variance to Budget
Operating Expenditure	R 59,751,417.00	R 60,138,992.28	R	R
Capital Expenditure	R 4,900,000.00	R 7,600,000.00	R	R

3.13 Libraries, Information and Education Unit

During apartheid regime, there were no public/community libraries in O.R. Tambo District Municipality except the one that was known as Transkei National Library at Umtata, York Road currently known as Mthatha Reference Library. This means that the communities around Transkei travelled to Mthatha in order to get information. There were no libraries in rural areas and township where the majority of people lived.

The Libraries, Information and Education Services (**LIES**) Unit is the sub-section of Sport, Heritage, Arts, Culture, Libraries, Information and Education. The focus of the unit is to coordinate and facilitate the development of public/community libraries and school libraries. It supports Department of Education (**DoE**) with supplementary materials in order to overcome the high failure rate within the district. It also promotes a culture of reading, library usage and lifelong learning.

3.13.1 Relevant Legislations and Policies

The following legislation has a bearing on the different role-players in the South African Library and Information Services Sector:

- *The Constitution of the Republic of South Africa (108 of 1996)* describes the legislative framework for the governance of LIS in South Africa. It clearly states that libraries, other than national libraries, are a provincial responsibility. Each of the nine provinces is therefore obliged to develop a legislative framework within which public library and information services can be provided. Constitution of the Republic of South Africa and the Bill of Rights recognises access to information as a Human Right.
- *Eastern Cape Provincial Library and Information Services Act (Act No.6 of 2003)*
- *The Copyright Act (Act No. 98 of 1978, amended 1992)* protects all literary, musical and artistic works, whether in written, printed or digital form.
- *The National Education Policy Act (Act No. 27 of 1996)* enables the development of national policies that will contribute towards quality education, including founding school libraries. Standards for these libraries are the responsibility of provincial education departments, so coordination between national and provincial education departments is imperative.
- *The Legal Deposit Act (Act No. 54 of 1997)* requires producers and publishers of published material to deposit a certain number of copies of their publications in the five legal deposit libraries. It also requires a Legal Deposit Committee to be responsible for coordinating and promoting implementation.
- *The South African Library for the Blind Act (Act No. 91 of 1998)*, the first of its kind in the country, provides separate legislation for LIS to blind and print-handicapped people in South Africa through the Library for the Blind in Grahamstown, Eastern Cape Province.
- *The National Library of South Africa Act (Act No. 92 of 1998)* focuses on the information needs of the nation in order to enhance the development and delivery of effective library programmes, services and products. The Act facilitates a common platform for information technology, with a view to achieving optimal use of limited resources and coordinated systems.
- *The Promotion of Access to Information Act (Act No. 2 of 2000)* aims to foster a culture of transparency and accountability in public and private bodies through citizens' right to access to information, and also to empower people to gain access to information that will enable them to exercise and protect their rights.
- *The National Council for Libraries and Information Services Act (Act No. 6 of 2001)* provides for a council to advise the Minister of Arts, Culture, Science and Technology on LIS issues. The council interacts with all LIS role-players (at local, provincial or national level) and, most importantly, advises on policy as well as operational matters across the entire LIS system; it is therefore best placed for dealing with issues of coordination.

3.13.2 2017/18 Unit Achievements

The unit provides support in various educational activities as follows:-

1. **Poor Performing Schools** – various schools were supported with learning materials in order to improve pass rate. Schools such as Hlabatshane and Gengqe S.S.S. (*KSD LM*), Smuts Ndamase and Mabalengwe S.S.S. (*Nyandeni LM*), Mdutshane S.S.S., Mhlanganisweni S.S.S. (*PSJ LM*) Somagunya S.S.S. (*Mhlontlo LM*) were supported with learning materials such as Science Kits, Scientific Calculators, Microscopes, etc.

2. **Literacy Programs** – such as **International Literacy and National Book Week** (KwaNonesi J.S.S., Nyandeni LM,) **South African Library Week** (Tombo A/A, PSJ LM) and **World Book and Copyright Day** (Ngqeleni Library, Nyandeni LM) were also supported.
3. **Capacity Building Program** – six (6) Public Librarians were supported with **Conference Registration Fee** in order to attend LIASA (Library and Information Association of South Africa) Annual Conference at Gauteng Province. These librarians gained a lot of knowledge by interacting with their counterparts during the said conference.
4. **Marketing and Promotion of Mobile Library** – the Unit co-ordinated and facilitated the removal of Modular Library Unit (PSJ LM, Mgazana A/A, Mqhakama J.S.S., Ward-3) to Tombo Art Centre (PSJ LM, Tombo A/A, Ward-4). South African Library Week 2018 was celebrated at Tombo Art Centre with the aim of marketing and promoting the newly installed Modular Library Unit.
5. **Mobile Library Launch** – the Unit also co-ordinated and facilitated the launch of Mobile Library Truck at Gengqe S.S.S. (KSD LM, Gengqe A/A, Ward-21)

3.13.3 Targets for 2018/19

The Unit will support the following literacy programmes with available limited resource as listed Table below:-

Activity	Date	Local Municipality
1. International Literacy and National Book Week	08 September 2018	KSD Local Municipality (Qokolweni A/A)
2. 2019 South African Library Week (SALW)	18-23 March 2018	Mhlontlo Local Municipality
3. World Book & Copyright Day	May 2019	TBA
4. Procurement of Learning Materials for 2018 Poor Performed Schools	February	TBA

3.13.4 Challenges

The LIES Unit has experienced serious challenges to overcome problem of high rate of illiteracy within the district as follows:-

- Inadequate Budget
- Limited Number of public libraries
- High rate of theft in Modular Library Units
- Underutilized library facilities
- Poor condition of public libraries
- Shortage of school libraries
- Removing of Modular Library Units at Victor Poto S.S.S.
- Lack of Electronic Library Management System

- Outdate Library Collection
- Poor Grade-12 Results

3.13.5 Possible Solutions (*Recommendations*)

- Increase budget from Equitable Share;
- Establishment of public libraries by DSRAC in remote areas;
- Municipalities and DSRAC must employ security guard to safe guard public libraries;
- Acquisition of up-to-date relevant library materials is recommended;
- Norms and Standards for Infrastructure to improve the library standards;
- Budget allocation by DoE to support school libraries;
- Installation of Electronic Library Management System is vital in public libraries
- Extra classes during holidays and weekends is also recommended

3.14 Community Safety

As Community Safety, our core mandate is to ensure and works well within the confinements of the relevant legislative frameworks that governs community safety and security.

3.14.1 Legislative mandate as reflected in our IDP:

- **South African Constitution Act. 108 of 1996**
 - Section 151 and 152 – safer and sustainable community, through local government involvement
- **Community Safety & Security** Prioritize community safety & security Programmes focusing on crime prevention, school safety and coastal safety in partnership with relevant stakeholders (LM's and SAPS, Department Safety & Liaison). The main objectives is to promote innovative partnership-driven ways of reducing the current levels of crime to low levels and preventing crime from taking place in an integrated manner with various stakeholders e.g., SASSA, SAPS, Civilian Secretariat for Police Services, Safety and Liaison., other key stakeholders
- **These guidelines are from;**
- The White Paper on Safety and Security 2016, dealing with role of local government, State agencies and communities – in safety issues, creating cohesive and enabling environment were ...” all people are and feel safe”..
- **NDP 2030, Outcome 12, dealing with safer communities**
- Role of Government with a vision towards 2030, drawing energy from community participatory processes, and the centralized role of government through its sector departments and local government structures (Provinces, Metro's, DM's, LM's). Aims to eliminate poverty and inequality by inclusive economic growth, building capacity and leadership.

- **MTSF (Medium term strategic Framework) – 2013-18 (5 year strategic plan) focus on NDP)**
 - Reduce levels of contact crime
 - Secure South African Borders
 - Creating an efficient and effective criminal justice system
 - Increase levels of domestic stability
 - Secure the identity of everyone in South Africa
 - Securing cyber space in South Africa

3.14.2 Core mandate of Community Safety

- These strategies are implemented in line with other existing National and Provincial measures aimed both at tackling crime and addressing the underlying root causes of crime and violence, such as victim empowerment, substance abuse, child protection and community developmental Programmes with other role players.
- Supporting and advising on implementation of developmental and preventative diversion Programmes, improving community safety, strengthening families, promoting safety at schools with DoE
- Coastal safety supportive programmes, with the support of LM's, and SAPS Clusters which are additional recruitment of 80 life guards, 80 coastal safety patrollers, and 20 water falls patrollers during festive periods.
- Promote and support Crime prevention, risk reductions across various spheres of governance and advice Council accordingly.
- Monthly participate as a District in the Local SAPS clusters level (Mthatha & PSJ), in planning, meetings, programmes, to address rampant crime, find common solutions and intervention with other role players.
- Enhance and participate in reduction and identifying with relevant role players crime issues at scholar or community level, and designing/ support programmes of intervention through multi- stakeholder collaboration.
- Capacity building through workshop support and training for LM's safety initiatives, through multi stakeholder collaborations with partners in community safety; GIZ, SALGA, DSL, SAPS, LM's, DSD, to name a few.
- Promote the building of community social cohesion and improving the quality of life of all people which includes infrastructural development support for safer spaces through influencing, SPLUMA, LED, or infrastructure development towards "safer spacers" for communities, e.g. adequate street lighting, safe parks and recreational facilities, the built of high mast lighting in crime prone areas etc.
- This is further underpinned by supporting government's ongoing efforts to build better and safer communities that respect human rights and contribute to the government outcome "All People are and feel safe", *NDP Outcome 12*

3.14.3 Programmes achieved, highlights and plans

1. Launch of Coastal Safety program, December 2017 to end March 2018, local municipality

and CPF members, were contracted through various interactions. 80 coastal life guards, in 4 LM's and 80 coastal patrollers in 4 LM's, as well as 20 water falls patrollers. Programme was executed well, and provided job opportunities over the festive period December 2017 to March 2018, programme successes and challenges was audited April 2018, by Standing Committee on Community Services as lead by Cllr MMC. Nkungu.

2. The programme of awareness and capacity building 8 targets, Airport career exhibition and 1200 learners from various schools attended the career expo; safety material was distributed to scholar and a brief interaction via a 4 minute video on safety and possibly career opportunities in the safety and crime prevention, 28th. October 2017. SAMSA (South African Maritime Safety Authority), career exhibition, 27-28th. September 2017, we distributed safety awareness material and some pens, rulers, which also contained health awareness.
3. SAPS Cluster meetings attended, towards crime, risk reductions and inclusive community safety planning: 7 cluster meetings attended (Mthatha), 3 at Port St Johns (SAPS). This focus area is on community involvement through the cluster (Community Policing Forums Mthatha & PSJ). CPF's, in reducing crime and ensure participatory monitoring of SAPS, Business fraternity and Rural Safety Joining of communities in a participatory process of reducing crime, e.g. Bityi SAPS Rural Safety. This would be a future pilot project to roll out rural safety programmes, in areas rampant of crime, housebreaking, robberies, common assault, and stock theft (future plans).
4. Community Safety Supportive training and capacity building with Mhlontlo LM's, in partnership with DSL, Mbumba Consulting, GIZ., 30- 31st. August 2017, followed up with full workshop, 21st.-22nd. September 2018. Members attended, about 23 and workshop that followed, +-30 members attended (ward councillors, CDW's, portfolio head, SAPS, youth desks and CPF's. (Highlight)
5. Ngobozana AA, Community engagement from NDP Section of planning and monitoring, crime risk, community participatory processes, crime risk, hazard mapping in area of Ngobozana (Lusikisiki), in response to a Presidential Intervention, on issues of "Amafondo", this Risk analysis started around 14th. December and continued till March 2018. Community members attending about, 48 with SAPS, LM's officials and ORTDM X3 members. Engagements and follow up crime risk reductions and Community Risk Mapping was done. O.R. Tambo District as Community Safety with its partners in Community Safety: SALGA, GIZ (Deutsche Gesellschaft fuer Internationale Zusammenarbit), DSL, AVCOC (agency dealing with multi-stakeholder and conflict resolution training – contracted at National Government – under National Secretariat of Policing), SAPS and safety with NDP office from Pretoria did further community work on safety, with Ingquza Hill LM. (highlight)
6. SALGA- DSL & GIZ / ORTDM workshop of 5-6 March 2018, on Community Safety for officials and councillors, focus on crime, crime awareness, risk assessments towards community safety planning, "transect walk", around communities (Slovo Park, Mandela Park, CBD and Madeira, Mthatha Plaza), Wards: 6,7,8,11,12,13,18, (26- only coastal absent). Getting a sense of how crime affects people in KSD LM. Designing plans towards crime reduction integration, working with all role players, Justice, SAPS, Social Development, Dep. of Correctional Services, Local Municipalities and relevant role-players. Municipalities' Community Safety sections and forums would be further strengthened through SALGA- GIZ- DSL and ORTDM support. Around 25 members attended the workshop, at Mthatha

Stadium.(highlight)

7. Capacity building programs on community safety was done with GIZ, SALGA, DSL, and AVOC with Local Municipalities and Districts. This was referred to as phase 01- 02 was done in East London SALGA Office – dealing with and understanding of crime, what gives rise to crime and is there a linkage between poverty and crime or crime and inequality coupled with social exclusion or deprivation. The Socio-ecological change model- tracing crime from childhood development to adulthood, through various community factors. Phase 01 – SALGA Offices: 8-10th.May. 28-31st.May at the SUMMIT (Phase 02 training. Phase 3 training was done 10-12th. July 2018, in ORTDM.
8. Dialogic change model training for District and local municipality (5 LM's) were represented, was done at Hlalanathi Guest House Mthatha, facilitated by DSL at Provincial level, GIZ and ORTDM. This session dealt with “dialogic change model”, identifying of key stakeholders in dealing with community change, perception of crime at Community level, and dealing with stakeholder participation, and having the right approach and people for community interventions, whether its crime related, social ill, dealing with conflict resolutions challenges etc. 26-28th. June 2018.
9. Safer Schools, assessment engagements where done, to look at “root causes of crime, violence, drug abuse and associated ills) involving school children. Interactions were done, (ORTDM Community Safety with Jenca SSS, St. Patrick, Ben Mali, Ntafufu SSS), other schools were identified by both DSL (Department of Safety & Liaison), DoE (Department of Education). Engaged through Police Forums e.g. Bityi: Circuit 6 (inland DoE), and Traditional Leaders.
 - Jongilizwe S.S.S.
 - Milton Mbekela S.S.S
 - Mtentu J.S.S.
 - Ngendes i J.S.S.
 - Mkwazo Primary School
 - Chief N.Z. Mtirara S.S.S
 - Zwelinzima S.S.S
 - Entabeni J.S.S.
 - EMPA J.S.S.
 - E.N Seku J.S.S.
 - Majola S.S.S
 - Sigoyo J.S.S.
 - Qunu J.S.S.
 - Thandokazi Primary School

3.14.4 Future Plans will focus on:

1. The assessment reports on crime and safety challenges will give rise to programme/ project interventions within the new financial year 2018-19, addressing student challenges through a multi stakeholder collaboration, DSL, GIZ- VCP (violent and crime prevention Programmes), DSD, DoE, SAPS, etc. and communities.
2. Building community resilience to crime, through collaborated multi stakeholder's efforts.

3. Enhance and improved Coastal Safety programmes, through LM's involvement and ensure SLA'S are effective in addressing programme challenges
4. Ensure continuous involvement of communities in advising, designing, working and contributing to an environment where all people are and feel safe, *free from fear of harm, or crime* by encouraging programmes, projects for the LM's IDP, which must mainstream CSF's (community safety forums), and ensure a developmental approach to safer communities.
5. Future plans, for crimes at schools, and other social ills, would be address jointly with stakeholders DoE, DSD, DSL, LM's and District towards lasting – solutions (community awareness, safety audits, capacity building programmes, youth mentoring, youth camps, social workers: 1 on 1 counselling, sports against crime, NGO's specialization in problematic youth, gender base violence prevention, etc.)

3.14.5 Short comings/ challenges

1. The District to ensure its mandated supportive role to LM's, in community safety is enhanced, by staffing, budgeting and working tools (enabling tools).
2. Funding on local governance spheres towards socio- crime prevention, District wide remains severely constrained (Safety & Security Budget).
3. LM's to play a pivotal role in identifying and mainstreaming CSF's
4. Local Municipality and District to ensure CSF- programmes reflected in IDP's are sufficiently and adequately funded.

3.15 Social Development Section

The *Constitution of the Republic of South Africa, Chapter 7, Section 153* stipulates that, the developmental duties of the municipality as follow:

“A municipality must –

- a) Structure and manage its administration and budgeting and planning processes to give priority to basic needs of the community, and promote the social and economic development of the community and
- b) Participate in national and provincial development programs.”

Therefore from the above preamble, the section seeks to protect and promote rights of vulnerable groups by coordinating the mainstreaming of their basic needs & interests whilst improving livelihoods of indigent families under distress.

3.15.1 Legislative Frameworks

- The Constitution of the Republic of South Africa (Act 108 of 1996)
- Local Government: Municipal Systems Act 2000 (32 of 2000)
- Older Person's Act 2006 (13 of 2006)
- Children's Act 2005 (38 of 2005)

- Prevention and Treatment of Drug Dependency Act, 1992
- District Crime Prevention Strategy
- Draft District Social Relief Policy
- Social Relief Fund Act 2003 (59 of 2003)
- South African Social Security Agency Act 2004 (9 of 2004)

3.15.2 Staff Establishment

There is not a single staff member in this section and posts were recommended for advertisement but no shortlisting was done, a proposal for shortlisting/ re-advertisement was submitted.

3.15.3 Source of Funding

The only fund that the section depends upon is Equitable Share.

3.15.4 Projects/Programmes/Activities of the Section

- Moral Regeneration Life Skills Programs
- Early Childhood Development (**ECD**)
- Social Relief program(**SRD**)
- Child Protection Services

Moral Regeneration

Five (5) trainings for Moral Regeneration life skills were conducted in 5 local municipalities. Twenty (20) young individuals were trained in life skills in local municipalities. Topics discussed by the facilitator and young people were issues around behavior, decision making, emotional intelligence, and C.V writing and substance abuse. Life skills training was meant to equip young people on making the right life choices and eliminating moral decay.

Moral Regeneration life skills training were implemented in the following areas.

1. Ingquza Hill Lm in Mcobothini Location (Lusikisiki)
2. Port St Johns LM in Traffic Department (PSJ)
3. Nyandeni LM in Nciphizeni J.S.S (Libode)
4. Mhlontlo LM- Tshisane J.S.S (Qumbu)
5. King Sabata Dalidyebo LM- Video Call Center Boardroom (DSD; Bota Sigcawu)

Social Relief of Distress

- *Eleven families instead twenty received SRD assistance in four LMs, because this is a response program.*

Early Childhood Development

- *Establishment of ECD District Forum*

Child Protection Services

Five (5) trainings were conducted in 5 Local Municipalities. Ten (10) foster parents were trained per local Municipality in all 5 Local Municipalities totalling 50 foster parents on foster parenting. Topics discussed by the facilitators and foster parents included refresher on foster parenting, budgeting and importance of communication between a child and a parent.

Foster Parenting trainings were implemented in the following areas:

1. Ingquza Hill LM- DSD Boardroom (Lusikisiki)
2. Port St Johns LM- Agriculture Boardroom (PSJ)
3. Nyandeni LM- Old Garage Misty Mount
4. Mhlontlo LM- DSD Boardroom (Qumbu)
5. King Sabata Dalidyebo LM- Bosasa (Mthatha)

3.15.5 Areas of High concern

- Non-availability of staff.
This had a negative impact in the implementation of the above mentioned programmes and the functioning of the section as a whole.

3.15.6 Achievements based on the Annual report

3.15.7 Recommendations

- Employment is proposed as soon as possible in order to fast track service deliver

3.15.8 Plans

Moral Regeneration

- Conduct 5 Moral Regeneration Life skills training programs for 100 trainees (Youth in or out of school - 20 trainees per LM)

Social Relief of Distress

- 40 households to receive burial support

Early Childhood Development

- Facilitate registration of 180 Early Childhood Development Centres
- 4 ECD District Forums to be held
- Training of 25 ECD Practitioners (5 each per LM)

Child Protection Services

- 5 parenting skills training programmes conducted to capacitate 15 foster parents per LM.

3.16 Municipal Health Services

Environmental Health/Municipal Health Services is about creating and maintaining sustainable environments, which promote good public health. Environmental Health Services includes a package of Municipal Health Services as defined in the National Health Act 2003, (Act No 61 of 2003). It also refers to the theory and practice of ascertaining, correcting, controlling and preventing those factors in the environment that can potentially adversely affect the health of present and future generations.

3.16.1 Illegal dumps

Environmental Health Practitioner (EHP) encourages the waste generators to dispose their waste to the landfill site or disposal site, in accordance to the Norms and Standards and prescripts of the Act. Any indiscriminately disposal of waste is discouraged as it results to the degradation of the land and environment and/or vermin that cause contagious and infectious diseases.

The quarterly target set was 100% of identified and cleared illegal dumps in all local municipalities. The section managed to clear all the identified Illegal dumps in these municipalities – KSD, Ingquza Hill.

3.16.2 Communicable Diseases (Notifiable Medical Conditions)

A communicable disease is an illness that is transmitted through contact with disease-causing agents or microorganisms that cause an infection. Carriers of these microorganisms can include people, animals, food, surfaces, and air. However the common diseases that always erupt in the O.R.Tambo area are rabies and food poisoning. Among notifiable medical conditions the DM is also managing the newly declared notifiable disease called listeria. Listeriosis is a serious bacterial disease caused by the Gram-positive, rod shaped bacterium, *Listeria monocytogenes*. It is a serious, but treatable and preventable disease. The bacteria are widely distributed in nature and can be found in soil, water and vegetation. Listeriosis is usually spread through the ingestion of contaminated food products e.g. ready-to-eat meats and smoked fish products. And it presents the following signs and symptoms; fever, myalgia, malaise and sometimes nausea or diarrhea. It can cause meningitis, headaches, confusion, stiff-neck, loss of balance or convulsions. MHS official investigated all reported cases of listeriosis, however with problems of insufficient information from

the health facilities. And DM is hampered by the unstructured method of reporting by the health institutions.

The quarterly target set was 100% of notifiable medical conditions investigated within 24hrs of reporting. Though following of the patients is very difficult and a tedious process sometimes the unit has managed to investigate all the reported cases of infectious / communicable diseases within the prescribed period of reporting.

3.16.3 Challenges

- **In illegal dumps** is recurring dumping of miscellaneous (debris and general refuse) waste in vacant plots and open fields.
- **In notifiable medical conditions** is insufficient data from the reporting institution or health facilities.

3.16.4 Solutions

- Expedite procurement of Tipper Truck.
- Encourage the Department of Health to resuscitate infection control committee.

COMPONENT E: SPECIAL PROGRAMMES

Special programmes are performed under the Office of the Executive Mayor which has 2 sections underneath as Executive Mayoral Office and Executive Mayoral Services. This department has a vacancy rate of 25%. Staff compliment as the end of June 2018 for Human Settlements department is depicted in the table below:

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
167	125	42	25%

The financial performance of this department is shown in the table below:

	2017/18			
Details	Original Budget	Adjustment Budget	Actual	Variance to Budget
Operating Expenditure	R 72,379,404.00	R 80,267,665.17	R	R
Capital Expenditure	R 1,000,000.00	R 2,800,000.00	R	R

3.17 Executive Mayoral Office

The O.R. Tambo District Municipality is a category C municipality constituted by five local municipalities. According to the Municipal Structures Act of 1998, section 83 (3), the district municipality has the following developmental mandates:

- Ensure district-wide Integrated Developmental Planning
- Provide district wide bulk services, in particular water and sanitation as the district is a Water Services Authority
- Building the capacity of local municipalities, and
- Promoting the equitable distribution of resources between local municipalities.

Furthermore, the Municipal Structures Act of 1998, section 19, requires the municipality to attain the following objectives:

- That the municipal council must annually review the needs of the community
- Give priority to the involvement of the community
- Develop mechanisms to consult communities and community organisms in performing its functions and exercising its powers.

3.17.1 Compliance with the Service Delivery and Budget Implementation Plan

In light of the above legislative mandate, the Executive Mayor has a plan to visit all local municipalities as part of the consultation process through the Mayoral Imbizo. The Executive Mayor will be visiting the Mhlontlo Local Municipality to conduct an Imbizo at the clustered wards.

Mayoral Imbizo's are part of the service delivery plan. The office has a target of achieving at least two Community Consultation sessions or interactions per quarter.

3.17.2 Mayoral Imbizos and Sectoral Engagements

Developmental Impact of the Mayoral Imbizo

The Mayoral Imbizo aims to achieve the following:

- Assessment of the community needs
- Bringing services closer to the people through the services on wheels initiative
- Clustering of sector departments to engage the communities on their mandates and services
- Aligning community needs with the municipal long-term plan.
- Educate communities on their rights and services to be expected from government.

There are 8 Mayoral Imbizos that were held in 2017/2018 financial year, 2 Imbizos held in each quarter. Mayoral Imbizos were held in the areas listed below:-

Venue	Municipality & Ward	Ward Councillor
Mankosi A/A	Nyandeni L.M. – Ward 26	Cllr Devete
Hlababomvu Community Hall	Ingquza Hill LM – Ward 02	Cllr Somana
Khanyalanga JSS	Mhlontlo LM – Ward 23	Cllr Mandleni
Lwandlana Great Place	King Sabata Dalindyebo LM - Ward 36	Cllr Nyoka
Newbright Sports Grounds	King Sabata Dalindyebo LM - Ward 09	Cllr Jadiso
Sginkqini Sports Grounds	Ingquza Hill LM – Ward 07	Cllr Didiza
Tyalara Great Place	King Sabata Dalindyebo LM - Ward 20	Cllr Nonkayi
Lukwethu Sports Grounds	King Sabata Dalinyebo LM - Ward 32	Cllr Mkhotheli

Successes

- Services on wheels were available in our Mayoral Imbizos from Government Departments like Home Affairs, SASSA, Social Development, Public Works, Health, Education, SAPS
- Water Tanks were Distributed to the Wards without water as a temporary measure
- Leaking pipes and not working taps were fixed

- Councillors to work with Department 12qof Water in ORTDM on identifying springs to be protected
- Youth were advised to apply on the OR Tambo Executive Mayor's bursary
- Communities were advised to form cooperatives and municipality will support them.

Military Veterans

- Worked with department of military veterans compiling database and profiling beneficiaries for them to benefit in the schemes that are being issued by dmV
- Assisted African Command Centre director with the training so that it can be able to open a shooting range
- Assisted military veterans with transport to various venues of importance like Luthuli house and dmV for submission of left database and profiling of military veterans beneficiaries
- Assisted military veterans with catering when they had an annual general meeting

Traditional leaders

Ex-combatants

Chaplaincy

The Chaplaincy is the O.R.Tambo District community structure of Clergy that serves under the office of the Executive Mayor. It was established to aid the municipality and O.R.Tambo District Municipality staff. The Chaplaincy assists with social needs, spiritual motivation, giving hope and advocates for non –violence and stability in communities.

An Arrive Alive prayer held at Mqanduli in July 2017 for handover of Ntsitshaneni access road and a prayer against the abduction of children in the area.

Arrive alive prayer at Khaya Majola praying for the end of road accidents due to stray animals at Viedgesville and a prayer for end of road accidents at Makhaphetshwini area.

The Chaplaincy held a prayer in January 2018 in partnership with flagstaff taxi association commemorating 9 car accidents victims who were nurses at Holy cross near Hlwahlwazi curve in 1987

The Chaplaincy accompanied by ex - offenders held a drug awareness campaign at Luthubeni, Mqanduli at E.L. Rooi foundation.

A prayer calling for peace between rival taxi – Border and Ncedo associations was held at Mthatha Town Hall

Awareness on teenage pregnancy was held at Dalindyabo S.S.S

One home one food garden and One Tree One Child

The one home one garden programme are Mayoral flagship programmes aimed at poverty alleviation and sustain needy households through support with vegetable seedlings. With the programme beneficiaries are taught how to plant vegetables to ensure maximum produce, they are also encouraged to sell surplus produce in order to buy other household necessities.

Beneficiary criteria:

- elderly
- child headed households,
- HIV/Aids affected,
- women
- and generally needy households.

One Tree One Child is aimed at making school children champions in the tree planting campaign, to love nature and to care for their environment. As children are the future custodians of greening. Through the One Tree One Child Mayoral flagship programme the Executive Mayor believes that by championing school children in tree planting campaign will help secure our environment and improve food security which in turn help future generations. The program seeks to achieve the following:

To improve the O.R Tambo District's food security by giving out fruit trees to children

To improve the district's environmental challenges brought by climate change by planting indigenous trees at school for the purpose of greening and as wind break.

Beneficiaries

- Primary Schools
- Secondary Schools
- Community organizations
- Communities through school children

So far 3831 vegetable trees and trees have distributed in the 2017/2018 financial year

District Growth and Development Unit

The District Growth and Development Unit seeks to intervene and heighten development within the district. The unit finds growth and development opportunities within the district, provincially, national and internationally.

17/18 Financial Year Programmes

Through the District Ambassadors/ Executive Mayor's Advisory Committee, the district municipality embarked on a study tour to the Tshwane University of Technology Chemical Station

and the University of Limpopo Agro Food Technology Station. The purpose of the tour was to better understand the opportunities that both technology stations offer small businesses and cooperatives.

Following the study tour; both technology stations were invited to the district to attend a workshop and further visit the small businesses and cooperatives. The workshop and visits was held over three (3) days. This was followed by a meeting between the University of Limpopo, TARDI and ORTDM resolving to assist all agro processing businesses that were visited by testing and improving the products. Currently this process is in progress.

The Tswane University of Technology Chemicals Station committed to assisting Cleanex, owned by Ncebakazi Sobai, to also testing and improving the cleaning chemicals that she manufactures.

Challenges

The greatest challenge in the unit is that there is only one person that is in the Unit, thus making minimal progress over a long period and there can only be one department consulted at a time. The second challenge is that there is no budget allocated for the programmes that are initiated by the Ambassadors.

18/19 Financial Year Plans

There are currently consultations with other institutions to increase trainings of SMMEs and Corporative in order to increase their knowledge in running businesses.

The District Municipality is in consultation with both the technology stations and the Department of Science and Technology to have the technology stations available in the O. R. Tambo DM for its people and people of the Eastern Cape at large.

A study tour in Mozambique and Swaziland; to better our knowledge in Fish Farming and Arts & Crafts respectively.

To seek and attract investors in the district focusing, but not limited to; on infrastructure, tourism and agriculture.

3.18 Executive Mayoral Services

COMPONENT G: SECURITY AND SAFETY

3.19 Disaster Risk Management

3.19.1 Legislative background

In line with international trends and our national objectives of efficient and effective management of our local resources, O.R. Tambo disaster management policy underscores the importance of preventing human, economic and property losses, and avoiding environmental degradation. Preparedness measures for more efficient rescue operations will always remain necessary, but there is common agreement that much greater attention should be directed to the introduction of preventive strategies aimed at saving lives and protecting assets before they are lost.

The primary responsibility for disaster management in South Africa rests with the government. In terms of section 41(l) (b) of the Constitution of the Republic of South Africa, all spheres of government are required to “secure the well-being of the people of the Republic”. Disaster management is listed as a functional area in Part A of Schedule 4 of the Constitution, meaning that both the national and provincial spheres of government are competent to develop and execute laws within this area and have powers and responsibilities in relation to disaster management. Disaster management has also been ‘assigned’ to local government through the promulgation of the Disaster Management Act, 2002 (Act no 57 of 2002).

The Disaster Management Act 57 of 2002 (as amended) is the primary legislation dealing with DM in the country. This Act provides for an integrated & coordinated disaster management policy that focuses on:

- Preventing or reducing the risk of disasters (Prevention);
- Mitigating the severity of disasters (Mitigation);
- Emergency preparedness;
- Rapid & effective response to disasters; and
- Post-disaster recovery and rehabilitation.

The Act also makes provision for the establishment and functioning of DM Centres across all spheres of government, disaster management volunteers; and matters incidental thereto.

The Act has explicit & distinct focus on DRR. It seeks the establishment of adequate structures necessary for the management of disasters with special emphasis on prevention and mitigation by all spheres of government. The Act calls for the establishment of institutional & governance structures to ensure integration of stakeholder participation & to adopt a holistic and organised approach to the implementation of policy and legislation. The Act recognises the multi-sectoral & multi-disciplinary nature of DM in the country. The Act also provides mechanisms for involvement in DM activities by private sector, traditional leaders, civil society, volunteers, etc. The Act also makes provision for the development of a municipal Disaster Management Framework.

3.19.2 Disaster Management function

In support of the core concepts of integration and uniformity the disaster management centre performs its duties in realisation of the four key performance areas (KPA) supported by three performance enablers (PEs) as follows:

- KPA 1: Integrated Institutional Capacity for DRM
- KPA 2: Disaster Risk Assessment (DRA)
- KPA 3: Disaster Risk Reduction
- KPA 4: Disaster Response and Recovery
- PE 1: Information Management and Communication
- PE 2: Knowledge management
- PE 3: Funding

The location of the function in the municipal sphere must be given careful consideration as contrary to popular thinking, it is neither a line function nor an emergency service. It must be seen as a management function within the municipal arena. For it to fulfil its responsibilities, it must be located closest to the highest level of decision making and should be able to cut across municipal departments.

The disaster management unit within the Disaster Management Centre has a duty to coordinate all disasters or major incidents threatening to occur or which occurred in the area of the district. It further has a responsibility to advocate for integration and streamlining of DRR in all planned and existing municipal programmes and initiatives. The Centre further has a duty to

- (a) specialise in issues concerning disasters and disaster management in the municipal area;
- (b) promote an integrated and coordinated approach to disaster management in the municipal area, with special emphasis on prevention and mitigation, by-
 - (i) departments and other internal units within the administration of the municipality, and, in the case of a district municipality, also by departments and other internal units within the administration of the local municipalities in the area of the district municipality;
 - (ii) all municipal entities operating in the municipal area; and
 - (iii) other role-players involved in disaster management in the municipal
- (c) act as a repository of, and conduit for, information concerning disasters, impending disasters and disaster management in the municipal area;
- (d) act as an advisory and consultative body on issues concerning disasters and disaster management in the municipal area for -
 - (i) organs of state and statutory functionaries;
 - (ii) the private sector and non-governmental organisations; and
 - (iii) communities and individuals;
- (e) make recommendations regarding the funding of disaster management in the municipal area, and initiate and facilitate efforts to make such funding available;
- (f) make recommendations to any relevant organ of state or statutory functionary-
 - (i) on draft legislation affecting this Act, the national disaster management framework or any other disaster management issue;
 - (ii) on the alignment of municipal legislation with this Act. The national disaster management framework and the relevant provincial disaster management framework;
 or

- (iii) in the event of a local disaster, on whether a local state of disaster should be declared in terms of section 55;
 - (g) promote the recruitment, training and participation of volunteers in disaster management in the municipal area;
 - (h) promote disaster management capacity building, training and education, including in schools, in the municipal area;
 - (i) promote research into all aspects of disaster management in the municipal area;
 - (j) give advice and guidance by disseminating information regarding disaster management in the municipal area, especially to communities that are vulnerable to disasters;
 - (k) exercise any powers and must perform any duties delegated and assigned to it in terms of section 14; and
 - (l) assist in the implementation of legislation referred to in section 2(1) (b) to the extent required by the administrator of such legislation and approved by the municipal council.
- (2) A municipal disaster management centre may engage in any lawful activity in the municipal area, whether alone or together with any other organisation, aimed at promoting the effective exercise of its powers and performance of its duties.

The disaster management unit within the centre has a duty and obligation to implement the Act, the O.R. Tambo Disaster Management Policy Framework and National guidelines. It has to also guide municipal departments and Ntinga Development Agency on matters related to disaster management and implementation of section 52 of the Act.

3.19.3 Targets for 2017/18

The centre within the disaster management unit had 19 targets to achieve during the previous financial year of which 4 were institutional and 15 departmental. The unit has achieved most of the targets and those it could not achieve were because of matters beyond the control of the unit. These are the targets for the year:

- 1) Number of Disaster satellite office sites established.
- 2) Number of LM's covered by Disaster early warning system.
- 3) Percentage of fire and emergency incidents responded to within 30 minutes for areas within a 50 kilometers radius.
- 4) Percentage of fire and emergency incidents responded to within 1 hour 45 minutes for areas more than 50 kilometers radius.
- 5) Number of District Disaster Risk profiles approved by Council.
- 6) Number of Disaster risk Management plans developed.
- 7) Number of Disaster Community Awareness campaigns conducted.
- 8) Number of Disaster Management Framework reviewed
- 9) Number of annual Disaster Evacuation Drills & Exercises performed
- 10) Number of Institutional Disaster Management Plans developed
- 11) Number of Disaster Knowledge Management facilities established
- 12) Number Disaster Response storage Facilities established
- 13) Number of monthly site meetings conducted on the development of satellite office

- 14) Number of Communication Systems upgraded
- 15) Number of Information Management Systems integrated to existing system within the Municipality
- 16) Number of fire awareness campaigns conducted
- 17) Number of vehicles purchased.
- 18) Number of Fire Fighting equipment purchased
- 19) Number of services equipment and shelter facilities established

3.19.4 Challenges

The Centre has experienced serious challenges in relation to how its role is perceived by municipal departments. This has been exacerbated by the placement of the function within the administration of the municipality contrary to section 45 of the DM Act. The Centre has faced difficulties in:

- Integration of DRR in municipal programmes, projects and initiatives, thus limiting how these contribute in sustainable development.
- Inadequate support in ensuring that effective structures are supported in entrenching DRR and mitigation across the district.
- Inadequate funding to invest in DRR, response and recovery and disaster mitigation activities.
- Streamlining of disaster management in municipal departments.
- Inadequate physical resources to support the function.
- 100% vacancy in the second layer of leadership in the unit resulting in crucial programmes and projects being poorly coordinated.

3.19.5 Recommendations

1. Filling of critical posts for Programme Managers within the section.
2. Reporting of the Centre directly to the Municipal Manager in line with the O.R. Tambo Disaster Management Policy Framework and section 45 of the DM Act.
3. Restructuring of budget votes with key areas of performance in line with supporting policy 4 to the O.R. Tambo Disaster Management Policy Framework.
4. Purchase of customised response vehicles for all five satellite offices and the main office.
5. Provide staff with job orientated car and cellphone allowance than the general arrangement.
6. Fill all vacancies to create stability and job security thus increase motivation and commitment to the job.
7. Take all staff in the section on a psychosocial analysis at least twice a year.
8. Organise annual team building exercises.

3.20 Fire Services

Throughout history, fires have inflicted a heavy cost in human infrastructure, and damaged to the environment in a manner capable of undermining socio economic development. The risk of fire in

South Africa is influenced by a variety of socio-economic factors notably the rising levels of urbanisation which often result in the formal settlement comprised of shack built by highly combustible material and in close proximity to each other which heighten the risk of fire in these areas. The danger posed by fire to human lives, infrastructure and the environment has been demonstrated by some of the major fire that humanity has experienced over the years. The service operates under four key performance areas which narrated as follows:

- **Fire Operations** involve rendering of rescue; administration and emergency functions. This includes all day to day operations of the unit and all its four satellite fire stations.
- **Fire Prevention** which focuses on the application of legislation on prevention, mitigation and reduction of fire risks. It includes evaluation and analysis of building plans, advisory services, risk analysis and compliance inspections to buildings.
- **Training** sub unit involves undertaking in house trainings, simulations, drills and exercises. It also encourages readiness of equipment and personnel to deal with and respond to reported fire or other incidents requiring role of the service.
- **Fire Public Information, public education & public relations (PIER)** focuses on fire prevention through the engagement of communities, the private sector and other key role players. The sub unit also actively participate and facilitate operation and establishment of FPAs (Fire Protection Association).

Legislative Background

- Constitution of SA,
- Fire Brigade Services Act 99 of 1987,
- SANs 10090 - Community Protection against Fire,
- SANs 0400 - Building Regulations
- National Veld Forest Fire Act 101 of 1998

Targets for 2017/2018

1. Percentage of fire and emergency incidents responded to within 30 minutes for areas within a 50 kilometres radius
2. Percentage of fire and emergency incidents responded to within 1 hour 45 minutes for areas more than 50 kilometres radius
3. Number of fire awareness campaigns conducted
4. Number of vehicles purchased.
5. Number of Fire Fighting equipment purchased
6. Number of services equipment and shelter facilities established

Challenges

- Personal protective clothing as a question of compliance is not procured yet,
- Fire reservist are not yet activated formally,
- Our SDBIP does not talk to fire prevention as it is our mandate to prevent fire incidents from happening,

- The existing budget does not accommodate fire prevention projects,
- Shortage of staff,
- Shortage of fire-fighting equipment including vehicles,
- Fire service is operating without Bylaw and fire prevention tariffs in place.

Recommendations

- Intervention is required on the issue of PPC since it has a potential of exposing the DM to litigations,
- Formalise the appointment and use of fire Reservist in line with HR policies and legislation,
- Indicators in the SDBIP should reflect focus on all key performance areas of the service,
- Key posts should be filled to increase capacity of the unit and the disaster management centre,
- Purchase of high capacity and heavy-duty equipment to assist in tall buildings fires, HAZMAT and aircraft fire risks, and
- Support of Review, improve and implementation of By Laws by the administration and Council.

COMPONENT H: SPORTS AND RECREATION

3.21 Sports, Recreation, Arts, Culture & Heritage

3.21.1 Arts, Culture and Heritage

Culture has been recognised as being fundamental to the social and economic development of the country. The government's policy for local arts, culture and heritage need to be seen overarching context of building a just and equitable society where citizens are enabled to enjoy the social and economic benefits that flow from access to and participation in culture.

The aim of the unit is to develop and preserve ORTDM culture to ensure social cohesion and nation-building. It strives for arts, culture, and heritage sector contributing to sustainable economic development, influencing partnerships.

3.21.2 Legislative Framework

- The Constitution of South Africa, 1996
- National Heritage Council Act (No. 11 of 1999)
- National Art Council Act 1997, (No. 56 of 1997)
- National Resources Act (No. 25 of 1999)
- Culture Promotion Act (No. 35 of 1983)
- National Library of South Africa Act (No. 92 of 1998)
- White Paper on Arts, Culture and Heritage, 1996

- National Film Strategy, 2014

3.21.3 Functions of the Unit

- The unit is responsible for the co-ordination, facilitation, assistance and support to the LMs, sectors, stakeholders and individuals. It also facilitates, implement the development of Artistic, Cultural, and preservation of Heritage within the district municipality
- To provide support to associations of artists and to individuals involved in artistic and cultural activities
- To promote cultural interaction among different cultural components within the district.
- To encourage the development of a dynamic arts and culture sector
- To preserve and foster cultural values both at individual and collective levels

3.21.4 2017/2018 Financial Year Plans/Activities

- Paving landscaping of Mhlontlo Heritage Site
- National Arts Festival
- Macufe
- ORTDM Choral Choir Music Festival
- ORTDM Cultural Carnival
- ORTDM Film Training
- Dance and Drama Workshop
- Paving and landscaping of Ingquza Hill Heritage Site

3.21.5 Success Stories

- ORTDM Choral Choir Music Festival held on the 14&15 October 2017 in Mthatha at O.R. Tambo Southernwood Hall.
- ORTDM Cultural Carnival was held on the 28 October 2017 from Mthatha Community Arts Centre (Richardson Park) to Queens Park
- ORTDM Film Training was held in Port St Johns from the 29th October to the 2nd November 2017
- Dance and Drama Workshop was held in Port Elizabeth (Opera House) from the 19th -22nd March 2018, 5 artists from the local municipalities attended the workshop.
- The unit assisted in paving and landscaping of the battlefield site at the bottom of the hill where the 1960 Pondo people were massacred
- Bethusile Mcinga was also assisted with his new album launch at ORT Hall in Southernwood
- The unit assisted Lusanda Mcingas new recording album in King Williams Town
- It also assisted 8 ORTDM Writers, 10 Crafters, St Johns College (KSD LM), Tembelani Drama Group (Nyandeni LM) to participate in the National Arts Festival 2017
- The unit transported and accommodated 5 ORTDM Visual Artists to the MACUFE 2017
- Siyakhana Choral Group was assisted by the unit to release their 1st recording album which was recorded in Durban.

- It assisted Mthatha Praise and Worship Singers to participate in the Eastern Cape Gospel Extravaganza where they won a recording deal amounting to R90 000,00.

3.21.6 Challenges

- Shortage of human resource
- Shortage of office space
- Shortage of office equipment/ working tools
- Lack of cooperation from LMs
- Insufficient budget
- No alignment of programmes between the LMs, District and DSRAC.

3.21.7 Recommendations

- One Development Officer is needed
- At least one office is required
- Working tools such as printer with cartridges and video camera are needed.
- Enough budget is required
- Good alignment between the LMs, ORT and DSRAC is needed.

2018/2019 FINANCIAL PLANS/PROGRAMS

- Galvanised fencing of Mhlontlo, Ingquza Hill and SS Mendi Heritage sites
- Purchase film equipment for ORT Film Office
- Coffee Bay Cultural Heritage Festival 2018
- Construction of Monument at Qokolweni site
- Paving of Isinuka Heritage site
- Cultural and Creative Industries Federation of South Africa (CCIFSA) outreach/roadshows.
- Fine Art Exhibition
- Gospel Festival 2018
- Film Makers Study Tour in Durban
- Film Makers training and workshop
- National Arts Festival and Macufe

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.22 Executive and Council

The Executive arm of the municipality is politically headed by the Executive Mayor and administratively by the municipal manager. The District municipality is a non-delegated municipality with the Municipal Manager serving as the accounting officer and advisor to the Executive Mayor. The Executive Mayor has the power to elect a Mayoral Committee, which serves as an executive committee of council, to advise the Executive Mayor on executive decisions. The

Mayoral Committee is made up of political Members of the Mayoral Committee (MMCs) which are equivalent to the number of executive departments within the municipality. The Executive Mayor reports to Council on all executive functions subsequent to Mayoral Committee meetings.

The Council is the legislative arm of the municipality which is headed by the Council Speaker. The legislative arm houses councillors which serve on different oversight committees. The legislative arm has section 79 committees which are politically headed by chairpersons and these serve as oversight committees to legislative departments. The legislative committees report to and compile reports to council on their oversight function. The legislative arm also houses the Office of the Chief Whip, which impartially takes care of all interests of political parties serving in council.

3.23 Financial Services

Financial services are performed under the Budget and Treasury Office which is headed by the Chief Financial Officer. The department is responsible for revenue collection, expenditure management, asset management and supply chain management. This department has a vacancy rate of 44%. Staff compliment as the end of June 2018 for this department is a depicted in the table below:

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
187	105	82	44%

The financial performance of this department is shown in the table below:

	2017/18			
Details	Original Budget	Adjustment Budget	Actual	Variance to Budget
Operating Expenditure	R 141,590,116.00	R 142,169,729.75	R	R
Capital Expenditure	R 70,360,165.00	R 65,522,395.00	R	R

3.23.1 Debt Recovery

Debt Recovery R.00							
Details of the types of account raised and recovered	2016/17 Financial Year		2017/18 Financial Year			2018/19 Financial Year	
	Actual Accounts billed in year	Proportion of accounts value billed that were collected in the year (%)	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected	Estimated outturn for accounts to be billed	Estimated proportion of accounts billed that were collected (%)
Water and Sanitation							

3.23.2 Revenue Collection

With regards to municipal revenue, water supply remains a viable cost recovery mechanism and a primary source of revenue. Insufficient collection of revenue affects the growth of the municipal budget adversely hence the introduction of cost recovery measures. The aforementioned cost recovery measures will be enhanced by the review and development of financial policies that are to be tabled to Council for adoption.

In the quest to catapult revenue collections, a Revenue Enhancement Strategy was introduced, launched and implemented in all five local municipalities. The purpose of the initiative was to invite all rate payers to join in arms with the municipality, in surmounting their debt owed to the DM, while also introducing and incentivizing a culture of rate paying. The initiative saw much success with revenue collections improving by 11% from the 2016/17 financial year.

The department has sought for alternative sustainable sources of revenue generation to boost the municipality's cost recovery mechanisms; to reduce reliance on grants; and improve budget growth. The department has utilized high-earning investments, with an amount of R50.9million reported in returns. The District managed to raise R12million more from what was raised in the 2016/17 financial year.

3.23.3 Expenditure and Liability Management

Expenditure and Liability management is the responsibility of the accounting officer of the municipality, the Municipal Manager. Upon the instance where a municipality incurs unauthorized, irregular or fruitless and wasteful expenditure; the municipality must investigate the cause and

hold a person responsible. According to section 32 of the Municipal Finance Management Act, the municipal council must elect/nominate a council committee to investigate the unauthorized, fruitless and wasteful expenditure.

OR Tambo currently sits at an inflated amount of unauthorized, irregular or fruitless and wasteful expenditure, which has been historically accumulated since time immemorial. The accumulation of this amount is the reason the 2017-2022 council elected a council committee to investigate the deliberate or negligent authorization of a fruitless and wasteful expenditure.

The Committee presented a report to Council with the recommendations that some of the transactions should be condoned on the fact that there was value for money and the services were rendered. The committee then tabled the report to Council and the Council approved the condonement. In its approval the Council further requested the Committee to continue with further investigations of the remainder of the balance as well as the current irregular expenditure.

Irregular expenditure in the District is the result of the implementation of programmes and projects for water services and one of the major contributor is the agreement between the Municipality and Amatola Water Board which was crafted in line with the PFMA but does not comply with the MFMA. Moreover, the other major contributor is the use and mis-interpretation of Regulation 32 of the SCM Policy. Management is working tirelessly to regularize the contract of Amatola Water whilst it had taken a decision to discontinue utilizing Regulation 32 of the MFMA based on the challenges encountered.

3.24 Corporate Services

Human resources functions in the District are performed under Corporate Services Department. This department is the second with a high vacancy rate of 79%. Staff compliment as the end of June 2018 for this department is depicted in the table below:

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
431	82	341	79%

The financial performance of this department is shown in the table below:

	2017/18			
Details	Original Budget	Adjustment Budget	Actual	Variance to Budget
Operating Expenditure	R 111,823,437.00	R 112,754,026.12	R	R
Capital Expenditure	R 1,900,000.00	R 2,150,000.00	R	R

3.25 Legal Services

There is an in-house legal service department which is functional. It supports other Local Municipalities within the district. There are legal advisors in some of the Local Municipalities, like Nyandeni, Ingquza Hill and King Sabata Dalindyebo Local Municipalities, whilst others do not have legal advisors and rely on external legal service providers (consultants).

The District through legal services unit managed to reduce the number of litigation by 44%. This demonstrate improvement from the percentage reduction of 25% in 2016/17 financial years.

The challenges identified are:

- Failure to respond to legal advisors' enquiries into matters arising from litigation;
- Non-compliance with legislative provisions;
- Binding the municipality without first soliciting legal opinion;
- A need to enhance the Human Resource Capacity of the Department in line with the proposed staff structure;
- Insufficient funds voted for operations and defence of litigation against the municipality;
- Exclusion of legal advisors in critical decision making processes, resulting in legally unsound decisions susceptible to legal challenges; and
- Poor corporate governance and due diligence by other departmental heads, resulting in poor decision making and dumping of overripe and non-defendable litigation matters at legal services.
- Overall, the units are not capacitated and lack capabilities and are unable to represent the institutions in the High Courts

3.26 Oversight for Service Delivery

The Legislative Services Department acts as the legislative arm of the municipality by being the home of the District Municipality Council. The Council is the highest decision making body within the municipality and remains independent to the executive arm.

One of the instrumental role(s) the Legislative Department plays is that of municipal oversight in all service delivery initiatives implemented by the executive.

This department has a vacancy rate of 17%. Staff compliment as the end of June 2018 for this department is depicted in the table below:

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
59	49	10	17%

The financial performance of this department is shown in the table below:

	2017/18			
Details	Original Budget	Adjustment Budget	Actual	Variance to Budget
Operating Expenditure	R 58,394,821.00	R 68,899,360.55	R 68,899,361.00	-R 0.45
Capital Expenditure	R 1,000,000.00	R 1,000,000.00	R 1,000,000.00	R 0.00

The department is segmented into numerous oversight committees that are answerable to Council. The role of the committees is to ensure:

- Policies are implemented and adhered to;
- Budget is adequately allocated and utilized;
- Executive departments carry out their mandate as prescribed; and
- Service delivery and accountability are uncompromised.

The Municipal Public Accounts Committee (MPAC) remains at the helm of oversight and accountability with a mandate to ensure good governance in the municipality. The committee has legislated sittings that summon executive departments to account on the implementation of programs in a manner that is consistent with the approved municipal plans, allocated budget and legislation (and circulars). All executive departments are answerable to the MPAC and each department is invited at least once a month to account on the departments activities of the preceding month.

Every single executive department has a portfolio committee which is headed by a political head. Each portfolio committee sits every single month with the departmental head to decipher on programs, projects and matters relating to the department. The committees play an oversight role by making sure that the department adheres to and plays its role in the quest of delivering on services par excellence.

Every department has a role of doing physical verification of programs and projects. These projects are picked at random and/or when the need warrants a visit for verification. This happens throughout the year when committees go on site visits to verify the authenticity of implemented projects and programs. Physical verification remains the most credible oversight mechanism as it allows for greater stakeholder involvement.

The following table illustrates the projects that were physically verified by the MPAC

Table 55: Physical Verification of projects by MPAC

Project	Findings/ Complaints by Communities	Corrective Measure
Flagstaff Treatment Woks	Communities wanted the project to be fast tracked	ORTDM installed generators as an interim measure whilst awaiting Electrification from ESKOM
Port St. Johns	Poor performance of the Contractor was raised	The contract was terminated , a new contractor has been appointed and is currently on site
Upper Mhlahlana Treatment Woks	Communities wanted the project to be fast tracked	The department has appointed the Consultant and has started with the designs
Mqanduli Waste Water	Damages were identified on the plant	Department is busy with the assessment of the extent of damage to quantify the amount of work to be done

The legislative department has an inescapable mandate to ensure stakeholder relations are always maintained and enhanced through public participation. The petitions unit has a role of going to communities and dealing with petitions handed in to the Council Speaker's office. Petitions generally raise administrative concerns that emanate through communities concerns in service delivery. The petitions unit relays the concerns to the relevant departments, which then get responded to and provide a way forward in solving concerns raised.

The department has also held two Open Council with the theme 'Taking Council to the People.' The role of the Council was to go to a community and hold Council in a transparent and accountable fashion. During the Council, petitions that were handed in were dealt with, and an open dialogue session opened with members of the public being able to raise questions and have them answered.

3.27 Monitoring, Reporting and Evaluation

Monitoring, Reporting and Evaluation unit is under the Office of the Municipal Manager which is led by the Director together with other functions such as Risk Management, Legal Services, Integrated Development Plan, Intergovernmental Relations, Communications and the management of the Municipal Managers office.

This department has a vacancy rate of 30%. Staff compliment as the end of June 2018 for this department is a depicted in the table below:

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
44	31	13	30%

The financial performance of this department is shown in the table below:

	2017/18			
Details	Original Budget	Adjustment Budget	Actual	Variance to Budget
Operating Expenditure	R 62,131,071.00	R 60,012,429.71	R 60,012,430.00	-R 0.29

3.27.1 Monitoring, Reporting and Evaluation

The performance management system in ORTDM is driven by a Performance Management Policy/ Framework that was developed and adopted by the Council together with the Budget related policies in May 2017. This policy framework provides an overarching framework for managing performance in the ORTDM.

In order to drive the Policy and processes, a Performance Management Unit was established within the Office of the Municipal Manager. The Performance Management Unit is responsible for the coordination of the performance management cycle, namely, planning, monitoring, measurement, analysis, review and reporting.

Integrated development planning is the start of the performance management cycle and the successful implementation of such is driven through the Service Delivery and Budget Implementation Plan (SDBIP).

Management is held accountable for municipal performance through their Performance Agreements.

The ORTDM reports on performance formally every quarter through their Quarterly Performance Assessments Reports. A mid-year performance report as well as an Annual Performance Report which forms part of the Annual Report are published on an annual basis.

All planning and reporting documentation as well as the Sec.54 and 56 managers' Performance Agreements are published on the ORTDM website.

For the first time, the ORTDM took a management decision to introduce the Individual Performance Assessments for the Section 56 Senior Managers in compliance with relevant legislative and Policy Framework regulating the implementation of Performance Management System (PMS). In previous years the ORTDM has been focusing only on monitoring Institutional Performance which measures performance against set targets in the approved Service Delivery

and Budget Implementation Plan (SDBIP). The Mid-year assessments for individual section 56 Senior Managers which included first and second Quarter performance was therefore scheduled and conducted on the 4th and 5th of July 2018. The assessments were used to provide a coaching and capacitation platform between the Municipal Manager and Senior Managers directly accountable to him, and to prepare the institution for a formal and fully compliant annual performance assessment as provided by the relevant legislation and policy framework.

Plans for the 2018/2019 Financial Year

The five-year objective for performance management is to ensure district wide coordination of implementing, monitoring and evaluation of the IDP. One of the outcomes of this is the achievement of a clean audit opinion on pre-determined objectives. Notwithstanding the above, our main outcome will always be the improvement of performance of the ORTDM.

In order to meet our objective and ultimately our outcomes, the ORTDM will concentrate on the following initiatives for the 2018/19 financial year:

- Implementing an electronic performance management system;
- Evaluating performance of Sec. 54 and 56 managers at least twice per annum in accordance with the MSA Performance Regulations;
- Training and capacity building for Councillors and staff; and
- Various change management initiatives.

3.27.2 Municipal Reporting

The Performance Management Unit has made a concerted effort in strengthening the compliance culture within the institution. The unit introduced various forms of reporting mechanism for information sharing within and across departments in the municipality.

Reporting templates were given to departments to factor in information on programs as per SDBIP, so that service delivery targets are constantly worked on. Section heads are to sit with their subordinates on a weekly basis, so as to share information; while Directors sit with section heads on a monthly basis. The meetings with Directors are formal, and the filled in reporting templates are to be sent to the PMS unit for monitoring and evaluation monthly.

Performance Management Systems Platforms

According to section 83(2) of the Municipal Structures Act 117 of 1998 ‘functions and powers (1) must be divided in the case of a district municipality and the local municipalities within the area of the district municipality...’ The district municipality in subsection (3) is mandated ‘to seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by, building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking.’

The OR Tambo District Municipality sought to foster cordial relations with its local municipalities, with the aim to amicably debunk compliance issues. The district together with its local municipalities established platforms in which challenges and success stories are shared, with the aim to support one another.

The platforms discuss notions related to municipality's functions and powers, compliance (including mSCOA), having credible IDPs and SDBIP such that functions are not duplicated between the district and local municipalities. The platforms forge ways of dealing with and mitigating risks, for which the risk register remains of paramount importance.

3.28 Internal Audit Services

There's an in house Internal Audit function that is independent and that reports directly to the Audit Committee with dotted line responsibilities to the Municipal Manager. Currently the Internal Audit function has 9 staff members and 36% vacancy rate.

No. of Posts	No. of Filled Posts	Vacancies	Vacancy rate
14	9	5	36%

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It assists an organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The situation in the district is as follows:

- Nyandeni, Ingquza Hill, King Sabata Dalindyebo and Mhlontlo Local Municipalities have functional internal audit functions, whereas Port St Johns Local Municipality, its Agency as well as Ntinga OR Development Agency are fully supported by the District Municipality, as the audits are performed by the District Internal Auditors;
- Audit committees in all the Local Municipalities are in place and functional;
- Ad-hoc support is provided to municipalities with functional internal audit units upon request i.e. Nyandeni LM, KSD LM and Ingquza Hill LM;
- All municipalities in the district have been audited by the Auditor General for the financial year;
- Furthermore, the District Municipality has since established a District Internal Audit Forum during the 2016/2017 financial year, with the intention of convening with the local municipalities on a quarterly basis for the purposes of information sharing.

Key challenges that have been identified in this area include the following:

- audit issues identified are not attended to, audit action plans not fully implemented;

- insufficient resources of Internal Audit Units;
- recommendations made by Internal Auditors not fully implemented;

3.28.1 Management Audit Action Plan

A thorough analysis and understanding of the AGSA's audit report and the causes of findings informed the development of the "Management Audit Action Plan", which has been summarised into the "Strategic Audit Action Plan 2016/17 document. The document gives an overview of the critical management and oversight actions necessary for the full implementation of the Management Audit Action Plan.

Management has identified the following areas deserving strategic focus in the implementation of the Management Audit Action Plan. These areas are:

- performance of a Pre-Audit exercise by internal audit on all prior accounts and figures that were qualified by the AGSA for audit by 30 June 2016 in order to minimise the impact of qualification on the restated 2014/15 figures;
- implementation of internal controls for identification, recording and reporting of irregular expenditure for the 2014/15, 2015/16 and 2016/17 financial years.
- Review and updating of the contracts register to enable accurate reporting of commitments;
- advising Council by 31 January 2016 on the establishment of a committee of council to investigate irregular, unauthorised and, fruitless and wasteful expenditure for the purposes of recovery, or write-off;
- establishment of Section 32 Ad-hoc committee during 2016/17 for investigation of irregular, unauthorized, fruitless and wasteful expenditure for the purposes of recovery, or write-off;
- Investigation and recommendation for recovery and/or write-off of irregular, unauthorized, fruitless and wasteful expenditure during 2016/17 financial year;
- review, updating and documentation of internal control processes (procedure manuals) for all key processes of the Municipality, followed by a change management process to ensure the attitude of council, management and staff on internal controls is transformed;
- implementation of a compliance monitoring functioning within departments coordinated by the Municipal Manager's office and the review of the 2016/17 SDBIP and implementation of corrective measures immediately after the approval of the budget adjustment by Council;
- council adoption of a stringent process for monitoring the implementation of the management audit action plan and consequence management in the event of failure to implement. The MAAP is a standing item of MANCO, Audit Committee and MAYCO; and
- departments to exercise strict asset management controls and accountability of assets under their custody, and Head of Departments to lead this process for their respective departments.

An AG report has been issued for the municipality with one qualification item and emphasis of matter. A Management Audit Action Plan has been developed to address the qualification matter and the emphasis of matter. The action plan was submitted to Council, together with the Annual Report at the Council meeting of 28 January 2017.

3.28.2 Audit Committee

The district municipality has a functional Audit Committee. The committee has skills to address financial matters, audit matters, performance management issues and legal issues. The functions of the Audit Committee are performed within the parameters of the Council-approved Audit Committee Charter. The Charter was approved in 2017. The Audit Committee sits once a quarter and its reports are submitted to Council at the end of each quarter.

The following table (Table 68) summarises the status of audit committees in the DM and the five LMs in the District:

Status of Audit Committees

Name Of The Organization	Audit Committee Status
Ntinga O.R. Tambo Development Agency	Committee is in place
Port St Johns Local Municipality	Committee is in place
King Sabata Dalindyebo Local Municipality	Committee is in place
Ingquza Hill Local Municipality	Committee is in place
Nyandeni Local Municipality	Committee is in place
Mhlontlo Local Municipality	Committee is in place

Table 69 below summarises the status of the internal audit function in the DM and the five LMs in the District:

Status of Internal Audit Function

Name Of The Organisation	Internal Status
Ntinga O.R. Tambo Development Agency	Shared with District Municipality i.e. fully supported by the District Internal Audit unit
Port St Johns Local Municipality	Shared with the District Municipality i.e. fully supported by the District Internal Audit unit
Port St Johns Development Agency	Shared with the District Municipality i.e. fully supported by the District Internal Audit unit
King Sabata Dalindyebo Local Municipality	In-house function but supported by the District on an Ad-hoc basis and attendance of Audit Committee meetings
Ingquza Hill Local Municipality	In-house function but supported by the District on an Ad-hoc basis
Nyandeni Local Municipality	In-house function but supported by the District on an Ad-hoc basis and attendance of Audit Committee meetings
Mhlontlo Local Municipality	In-house function(supported with 2 students and attendance of Audit Committee meetings)

3.29 Communications

Municipalities must ensure that they have a Communications Unit that empowers and encourages citizens to participate in democracy and improve the lives of all. This should ensure coherence of messages, open and extended channels of communication between the municipality and the people towards a shared vision. The District Municipality has a Communications Unit.

A District Communicators Forum (DCF) has been established and is functional, but a few local municipalities are not consistent in attending DCF meetings. Issues pertaining to the communication cluster are attended to by the relevant LMs. Communicators have been inducted on the role that they need to play in their respective municipalities. A Communication Strategy and Plan was approved by Council in April 2014. For the 2016-2021 term of Council, a Communications Policy and Strategy has not yet been developed.

The district created the communication mechanism in partnership with Vodacom, **Thetha-Nathi** that created an opportunity to enhance communication, and it addresses the issue of quick turnaround times when it comes to complaints by residents.

The challenges that the Communication Strategy and Plan seeks to address are the following:

- non- centralised communications;
- communications units not sufficiently resourced in terms of Human Resources and finances (communications units only have one official in the LMs);
- inconsistency in updating information in the municipal websites;
- negative perceptions in the Media;
- inconsistency in attendance of the DCF by some municipalities;
- lack of Corporate Identity;
- varying and inconsistent communication (internal and external);
- internal communication is not done properly;
- communication with external institutions that is poorly managed/channelled;
- service delivery communication to LM and communities;
- no clear communication between DM and LM councils (especially DM and LM council decisions);
- no proper coordination of communication in the district; and
- non-responsive Communication Strategy.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

KPA 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURAL DEVELOPMENT

Project	Indicator Type	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
					Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
P001 Marketing and promotion of public library services	KPI	R 577,500	4	2	2	Fully effective	N/A	N/A	Signed Concept Document Signed Report by Director (with annexures)
P002 Early Childhood development	KPI	R 665,500	New Indicator	25	0	Unacceptable performance	Delays in the signing of a Service Level Agreement between service provider and the DM halted progress towards the achievement of the indicator.	The indicator will be achieved in the first quarter of the 18/19 FY as all formalities have been concluded	Attendance Register Completion report
P003 Coastal and Falls Safety Programmes	KPI	R 2,140,000	80	180	180	Fully effective	N/A	N/A	Signed contracts Assumption of duty forms Signed Reports
P004 School safety and crime prevention programme	KPI	R 220,500	New Indicator	2	0	Unacceptable performance	Interactions with the department of Education were scanty. The DM had to have interactions with schools directly so as to learn what the actual problems were. The engagements took longer than anticipated	Root causes and problems have been identified, so the implementation of programs will commence to address specific issues	Signed Report by Director (with annexures)
P005 Management of communicable diseases	KPI	R 540,000	100%	100%	100%	Fully effective	N/A	N/A	Signed Report by Director on notifiable medical conditions with data sheet

Project	Indicator Type	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
					Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
P006 Waste Management	KPI	R 0	100%	100%	100%	Fully effective	N/A	N/A	Signed Report by Director on identified and reported illegal dumps Pictorial Evidence
P007 Sports and recreation initiatives	KPI	R 2,343,500	New Indicator	7	9	Performance significantly above expectations	Two requests were made for assistance which the department could assist in including an event with people living with disabilities and 24 athletes from the District supported with transport to attend Two oceans marathon in Cape Town	N/A	Signed Report by Director on Sports and Recreation Initiatives supported
P008 Arts, culture and heritage initiatives	KPI	R 1,590,000	New Indicator	4	4	Fully effective	N/A	N/A	Signed Reports by Director on Arts, Culture and Heritage initiatives supported
P009 Disaster Impact Assessment and Relief	KPI	R 432,500	100%	100%	100%	Fully effective	N/A	N/A	Signed Preliminary Report by Director and Relief Distribution Form
P010 Disaster satellite sites	KPI	R 4,800,000	0	2	2	Fully effective	N/A	N/A	Signed Project report by Director, proof of payment and pictorial evidence
P011 Disaster Early Warning System	KPI	R 700,000	1	1	1	Fully effective	N/A	N/A	Signed Project report by Director, proof of payment and pictorial evidence
P012 Response time to fire incidents within 50km	KPI	R 1,740,000	100%	100%	100%	Fully effective	N/A	N/A	Signed fire incident report and copy of occurrence book

Project	Indicator Type	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
					Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
P013 Response time to fire incidents with more than 50km	KPI		100%	100%	100%	Fully effective	N/A	N/A	Signed Fire Incident Report by Director (with annexures)
P014 NGO's /CBOs support on HIV/AIDS	KPI	R 2,090,786	1	5	5	Fully effective	N/A	N/A	Signed MOUs; Service Level Agreement (with contract and appointment letter); Signed Quarterly and Annual reports
P015 Financial Aid Assistance	KPI	R 7,040,000	172	92	66	Performance not fully effective	There was a national policy pronouncement for free education and as such the District suspended the intake of new students in anticipation that these will be accommodated by the new policy.	The District will reduce the intake and devise means to complement the national policy support	Signed Database of students supported and signed annual reports on financial academic programme
P016 Schools Support	KPI	R 2,205,000	21	45	71	Performance significantly above expectations	The total number assisted included 21 schools supported through the star schools programme focusing on the historically best performing in the district as well as the 50 schools supported through the programme focused on the worst performing schools in the district.	N/A	Signed Reports by Director & database of participating scholars

Project	Indicator Type	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
					Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
P017 Capacity Building for vulnerable groups	KPI	R 5,348,714	New Indicator	1900	3728	Outstanding performance	This is as a result of programmes implemented in partnership with external stakeholders, including AngloGold Ashanti with the career exhibition etc.	N/A	Signed Programme narrative through Quarterly and Annual reports by Director (with annexures)
P018 Poverty Alleviation Initiatives	KPI	R 2,090,000	3511	3600	3706	Fully effective	N/A	N/A	Signed Programme narrative through Quarterly and Annual reports by Director (with annexures)
P019 Town Landscaping	KPI	R 500,000	9	9	9	Fully effective	N/A	N/A	Signed report by Director on greening programme (with annexures)
P020 O.R Tambo Month	KPI	R 2,684,000	New Indicator	9	9	Fully effective	N/A	N/A	Signed Report on National/Internationally aligned commemoration programmes implemented (with annexures)
P137 Nelson Mandela Day	KPI	R 770,000	new Indicator	4	4	Fully effective	N/A	N/A	Signed Report on programmes implemented for Nelson Mandela Day
P021 Social Relief Housing	KPI	R 2,424,460	7	18	3	Unacceptable performance	Engineer was appointed during the third quarter and the processes of geotech and home enrollment are lengthy which has delayed the actual processes of construction	The houses will be built in 1st quarter of 2018/19. Consumer education has been done and contractors have already been introduced to the	Happy Letters, Completion Certificate & Final Unit Report (with annexures)

Project	Indicator Type	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
					Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
								communities and construction has commenced	
P022 Adam Kok Farm Housing	KPI	R 3,200,000	0	9	0	Unacceptable performance	Delays in appointment of the contractor	The 04 units will be included in the target of the 01st quarter of 2018/19. The contractor is already on site.	Happy Letters, Completion Certificate & Final Unit Report (with annexures)
P023 Temporal Structures	KPI	R 600,000	New Indicator	8	7	Performance not fully effective	Insufficient Funding as the Department had estimated funding for 08 units of temporal shelters but contractor contract amount allowed for 7 shelters to be erected.	The outstanding 01 Temporal Shelter has been included in the 2018/19 budget and will be provided during the first quarter of 2018/19.	Happy Letters, Completion Certificate & Final Unit Report (with annexures)
P024 District Housing Strategy	KPI	R 250,000	New Indicator	1	1	Fully effective	N/A	N/A	Proof of Submission to Council of the District Human Settlements Strategies
P025 Landfill Management	KPI	R 0	15%	20%	20%	Fully effective	N/A	N/A	Signed Waste Information Report by Director (with annexures)
N/A	KPI	R 0	New Indicator	100%	100%	Fully effective	N/A	N/A	Signed Project Screening Report by Director (with annexures on EIA compliance regulations)
P026 Alignment and coordination of	KPI	R 2,931,000	New Indicator	5	5	Fully effective	N/A	N/A	Signed Progress Report by Director

Project	Indicator Type	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
					Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
RAMS with SANRAL programmes									
P027 Non-motorised transport	KPI	R 1,032,500	New Indicator	2km	0km	Unacceptable performance	The construction started late, since it is labour intensive methods by their nature it takes longer than normal	The construction is proceeding on site, the benefits of work opportunities seems to outweigh the consequences of completing the project late by community	Completion Certificate (end of the project) Progress Report Pictorial Evidence
P028 Roads surfacing	KPI	R 8,200,000	2km	0	0km	Not applicable	N/A	N/A	Completion Certificate Close-out Report Pictorial Evidence
P029 Roads unsurfacing	KPI		5km	6km	0km	Unacceptable performance	The budget was not enough to do gravel and surface roads, the decision was to do gravel roads as they needed less effort than surfaced roads	The plan is to complete designs in the third quarter of 2018-19 and advertise in May 19 so the contractor may start in July 19 with construction	Completion Certificate Close-out Report Pictorial Evidence
P030 District Disaster Management Centre	KPI	R 1,000,000	0	100%	100%	Fully effective	N/A	N/A	Signed design report
P031 Water Quality (Blue Drop)	KPI	R 525,000	46%	70%	35%	Performance not fully effective	No Blue drop Assessments were undertaken this year by DWS, however the municipality has appointed PSP to develop Water Safety Plans; Monthly water samples analysis,	The District has appointed Service Providers to undertake Blue Drop Support and capacity building of WSA to ensure state of readiness when ever the	Blue drop Audit Requirement Reports; Signed Quarterly Report by Director

Project	Indicator Type	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
					Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
							Classification of Plants and Process Controllers to ensure state readiness whenever the department is ready to assess the municipality	department will conduct assessments	
P032 SANS 241 analysis	KPI		1	1	1	Fully effective	N/A	N/A	SANS Analysis Report
P033 Effluent Quality (Green Drop)	KPI	R 525,000	26%	50%	25%	Performance not fully effective	No Green drop Assessments were undertaken this year by DWS, however the municipality has advertised to appoint a PSP to develop Risk Abatement Plans; Monthly water samples analysis, Classification of Plants and Process, Gazetting and Implementation of By Laws, Controllers to ensure state readiness whenever the department is ready to assess the municipality	The District has appointed Service Providers to undertake Green Drop Support and capacity building of WSA to ensure state of readiness when ever the department will conduct assessments	Effluent Quality Audit Requirement Reports; Signed Quarterly Report by Director
P034 Rain water harvesting	KPI	R 1,050,000	150	250	50	Unacceptable performance	The service provider was appointed on time but could not deliver tanks as it declared to have no capacity, The service provider only	The tank bid is then divided in quarters and will be advertised on quotation basis during the first quarter of 2018/19	Signed Report by Director; Happy Letters signed by the ward councilor and beneficiaries

Project	Indicator Type	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
					Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
							delivered 50 out of 250 tanks		
P035 Water Carting	KPI	R 65,000,000	150	150	150.1	Fully effective	N/A	N/A	Tally sheets Job cards signed by beneficiaries
P036 Free Basic Water & Sanitation Services	NKPI (Proxy)	R 1,155,000	153000	153000	153000	Fully effective	N/A	N/A	List of households that have applied and have qualified to be indigent; indigent application forms
P037 Coffee Bay Regional Water Supply Scheme(RWSS)	KPI	R 15,115,337	65%	100%	100%	Fully effective	N/A	N/A	Signed Quarterly Progress Report by Director (with annexures) Close-out Report on completion of project
P039 Libode and Ngqeleni Corridor Bulk Water Supply Scheme(WSS)	KPI	R 48,449,790	30%	45%	45%	Fully effective	N/A	N/A	Signed Quarterly Progress Report (with annexures)
P040 Upper Mhlahlane1NS	KPI	R 12,000,000	80%	99%	99%	Fully effective	N/A	N/A	Signed Progress Report by Director
P041 Mangxamfu Water Supply Phase 2	KPI	R 3,501,454	80%	100%	96%	Performance not fully effective	The physical construction is complete, the only left thing is testing and commissioning. The old reservoir found leaking and there was no provision in the boq for this and vos approved had reach 20%. This meant that the sealing of that reservoir must be advertised separately	The testing is in progress and bid to seal the reservoir has been advertised	Signed Quarterly Progress Report by Director (with annexures) Close-out Report (upon Completion)

Project	Indicator Type	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
					Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
P042 Port St Johns Regional Water Supply Scheme Phases (Phase 5)	KPI	R 18,046,626	0%	15%	25%	Performance significantly above expectations	The contractor was appointed earlier than anticipated and was able to work in the river earlier than anticipated	N/A	Signed Quarterly Progress Report (with annexures) Close-out Report (upon Completion)
P043 Functionality of existing water schemes	KPI	R 0	New Indicator	100%	70%	Performance not fully effective	Vandalism of schemes which include damaging critical parts, theft of engines, drying of water sources and poor maintenance, illegal connections are some of the reasons why its difficult or impossible to meet 100% target on the schemes	The term contracts for M&E are to be appointed as it takes long to procure parts internally	Quarterly Report on existing functional water schemes signed by Director
P105 KSD PI: Rosedale	KPI	R 35,751,906	65%	100%	93%	Performance not fully effective	Poor performance of the contractor that affected negatively the M&E contractor which resulted in the variation order	The vo has been approved and the M&E contractor is to establish site	Minutes of site meetings Progress Report Close-out Report (Completion)
P106 KSD PI: Mqanduli Corridor	KPI	R 4,000,000	88%	96%	96%	Fully effective	N/A	N/A	Minutes of site meetings Progress Report Close-out Report (Completion)
P107 KSD PI: Libode	KPI	R 54,951,022	65%	95%	96%	Fully effective	N/A	N/A	Minutes of site meetings Progress Report Close-out Report (Completion)
P108 Rosedale/Highbury	KPI	R 107,286,927	New Indicator	5%	0%	Unacceptable performance	The contractor was appointed late by Amatola Water	The site hand over has been done and work has commenced	Minutes of site meetings Progress Report Close-out Report (Completion)

Project	Indicator Type	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
					Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
P109 Thornhill	KPI	R 42,222,222	91%	93%	96%	Fully effective	N/A	N/A	Minutes of site meetings Progress Report Close-out Report (Completion)
P110 Ntabasigogo Phase 3 Water Supply	KPI	R 217,113	95%	97%	99%	Fully effective	N/A	N/A	Minutes of site meetings Close-out Report (Completion)
P111 Flagstaff Regional Supply Scheme Phase 3	KPI	R 5,750,000	90%	97%	97%	Fully effective	N/A	N/A	Minutes of site meetings Progress Report Close-out Report (Completion)
P112 Flagstaff Regional Supply Scheme Phase 2	KPI	R 12,587,772	90%	97%	99%	Fully effective	N/A	N/A	Minutes of site meetings Progress Report Close-out Report (Completion)
P121 Ntontela / Tembukazi GWD	KPI	R 5,000,000	0%	20%	100%	Outstanding Performance	N/A	N/A	Pictorial Evidence Progress Report Close-out Report (Completion)
P122 Ndzondeni, Bumanzi and surroundings BD: REPLACE (Ward 28 GWD)	KPI	R 2,500,000	0%	20%	100%	Outstanding Performance	N/A	N/A	Pictorial Evidence Progress Report Close-out Report (Completion)
P123 KSD Ward 26 WS	KPI	R 10,000,000	0%	80%	95%	Performance significantly above expectations	Contractor performed better than planned	N/A	Pictorial Evidence Progress Report Close-out Report (Completion)
P124 Xurana and surrounds villages BD: REPLACE (Qunu Emergency Water Supply)	KPI	R 2,500,000	0%	20%	100%	Outstanding Performance	N/A	N/A	Pictorial Evidence Progress Report Close-out Report (Completion)

Project	Indicator Type	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
					Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
P125 Upgrade the existing water supply at the Mqhekezweni village	KPI	R 20,000,000	0%	80%	97%	Performance significantly above expectations	Contractor performed better than planned	N/A	Pictorial Evidence Progress Report Close-out Report (Completion)
P126 Spring protection in ward 1	KPI	R 10,000,000	0%	20%	100%	Outstanding Performance	N/A	N/A	Pictorial Evidence Progress Report Close-out Report (Completion)
P127 Borehole development in Wards 6,14,15,17,19 & 28	KPI	R 5,000,000	0%	80%	97%	Performance significantly above expectations	Contractor performed better than planned	N/A	Pictorial Evidence Progress Report Close-out Report (Completion)
P128 Mcobothini, Sidakwini and surrounds BD: REPLACE (Borehole Development in Ward 14 (32) Manzimahle)	KPI	R 2,500,000	0%	20%	100%	Outstanding Performance	N/A	N/A	Pictorial Evidence Progress Report Close-out Report (Completion)
P129 Borehole development within PSJ Wards 3 and 7	KPI	R 14,500,000	0%	75%	97%	Performance significantly above expectations	Contractor performed better than planned	N/A	Pictorial Evidence Progress Report Close-out Report (Completion)
P130 Borehole development within PSJ Wards 9 and 16	KPI	R 10,000,000	0%	95%	97%	Fully effective	N/A	N/A	Pictorial Evidence Progress Report Close-out Report (Completion)
P131 Tholeni Spring protection	KPI	R 10,000,000	0%	60%	97%	Outstanding performance	Contractor performed better than planned	N/A	Pictorial Evidence Progress Report Close-out Report (Completion)
P132 Bhakaneni and surrounds within Mhlontlo Ward 1 and	KPI	R 2,500,000	0%	100%	0%	Unacceptable performance	Delays were due to Eskom not responding as expected, Eskom	In areas with no problems of wayleave Eskom has started	Pictorial Evidence Progress Report Close-out Report (Completion)

Project	Indicator Type	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
					Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
3 Borehole development							reported delays of roads wayleaves from DoT	working on site therefore the target will be achieved in 2018/19 financial year	
P133 Debeza, Lwandlana and surrounds within Ward 1 and 3 Borehole development	KPI	R 10,000,000	0%	87%	99%	Fully effective	N/A	N/A	Pictorial Evidence Progress Report Close-out Report (Completion)
P134 Mvezo and Surrounds Water Supply	KPI	R 5,000,000	0%	65%	100%	Outstanding performance	The work components that included source development were all rendered and the final report was produced	N/A	Pictorial Evidence Progress Report Close-out Report (Completion)
P135 Lower Tyholo and Surrounds Water Supply	KPI	R 5,000,000	0%	100%	100%	Fully effective	N/A	N/A	Pictorial Evidence Progress Report Close-out Report (Completion)
P136 Qhanqu (Mdeni and Surrounds) water supply	KPI	R 5,000,000	0%	10%	10%	Fully effective	N/A	N/A	Pictorial Evidence Progress Report Close-out Report (Completion)
P044 Eradication of sanitation backlog	KPI	R 58,142,947	16000	5810	2281	Unacceptable performance	Not enough projects in the PIP, projects were awarded late to contractors	Sanitation projects had been prioritised in 2018/19 FY and had been through BSC. The construction is progressing very well on appointed contracts	Signed Quarterly Report by Director; Beneficiary List Happy Letters

Project	Indicator Type	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
					Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
P045 Construction of ablution facilities	KPI	R 2,467,500	New Indicator	4	2	Performance not fully effective	The service providers were appointed to do superstructures and in Ngquza and Ntlaza are complete while in Mhlontlo and coffee bay are in progress	appointment of service providers to do sceptic tanks is in progress, two have been appointed waiting for two	Signed Progress Report (with annexures) Completion Report
P046 Flagstaff Bulk Sewer	KPI	R 15,500,000	40%	50%	50%	Fully effective	The community is blocking the construction due to land dispute	ISD and the MMC are negotiating with the contractor and completion is anticipated to be towards the end of 2018/19 financial year	Signed Progress Report by Director; Close-out Report (2018/2019)
P047 VIP Sludge Management	KPI	R 3,000,000	New Indicator	1750	0	Unacceptable performance	The Service Provider was appointed late in June 18	The service provider has now signed the sla and areas to start with have been allocated	Report on the volumes of sludge removed Happy Letters
P048 Tsolo Waste Water Treatment Works	KPI	R 24,000,000	15%	100%	100%	Fully effective	N/A	N/A	Signed Progress Report by Director; Close-out Report (Completion)
P049 Tsolo WWTW and raw water pump station (Phase Two)	KPI	R 45,063,829	25%	70%	80%	Fully effective	There was poor performance by the contractor initially but after penalties were applied there has been improvement	Application of penalties	Signed Progress Report by Director; Close-out Report (Completion)
P050 Libode Sewers into Waterborne System	KPI	R 19,138,857	0%	30%	25%	Performance not fully effective	The communities stopped the contractor on site, demanded that the already dug	The community is being engaged but the demand of the the community hall is not finalised yet	Signed Progress Report by Director

Project	Indicator Type	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
					Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
							excavations be backfilled		
P051 Mqanduli Bulk Sewer	KPI	R 7,670,427	85%	93%	93%	Fully effective	N/A	N/A	Signed Progress Report by Director; Close-out Report (Completion)
P113 Northern outfall sewers	KPI	R 6,066,401	98%	98%	98%	Not applicable	During SDBIP adjustment the target was revised and all targets for 17/18 removed. Therefore the project remained at 98% that it was at in the beginning of the financial year.	N/A	Minutes of site meetings Progress Report Close-out Report (Completion)
P114 Lusikisiki Waste Water Treatment works	KPI	R 9,780,126	95%	100%	100%	Fully effective	N/A	N/A	Minutes of site meetings Close-out Report (Completion)
P052 Water Losses	KPI	R 20,000,000	27%	26%	0%	Unacceptable performance	Water losses could not be measured accurately due to lack of bulk meter installations	Finalize appointment of service provider to supply bulk meters by 30 September 2018	Signed Monthly Reports by Director
P053 Call Centre Management	KPI	R 0	New Indicator	8hours	8Hours	Fully effective	N/A	N/A	Complaints register Signed Quarterly Report by Director (with annexures)

KPA 2: LOCAL ECONOMIC DEVELOPMENT

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
1. To train 125 emerging Previously Disadvantaged Individuals (Youth and Emerging Contractors) by 2022	2_1_1_P054	1. Number of individuals trained in building regulations	P054 NHBRC Community Capacity Building	R 367,000	20	60	98	Outstanding performance	There is a glaring need to capacitate emerging contractors, youth, disabled and women for Human Settlements development for the District.	N/A	Signed Reports by Director (with annexures) and Certificates
2. To assist all municipalities in the district to be SPLUMA compliant by 2018/2019	2_2_1_P055	1. Number of Economic Development and Spatial Planning Strategies and Frameworks compliant with SPLUMA developed	P055 Spatial Development Frameworks	R 1,100,000	New Indicator	3	3	Fully effective	N/A	N/A	Proof of Submission to Council; Assessment Reports from COGTA
3. To establish a fully functional value chain recycling programme by 2022	2_3_1_P056	1. Number of new jobs created (direct/indirect) in Regional Recycling	P056 Regional Recycling	R 3,000,000	New Indicator	220	221	Fully effective	N/A	N/A	Database of jobs created Signed Reports by Director to the Project Steering Committee

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
4. To improve air quality in the district by 2022	2_4_1_P057	1. Number of Environmental Management planning projects implemented	P057 Environmental Management	R 888,355	New Indicator	4	4	Fully effective	N/A	N/A	Air Quality Implementation Management Plan; Signed Project Report on Implemented Project Proposed Projects list
5. To promote tourism in the District	2_5_1_P058	1. Number of tourism related initiatives supported	P058 Tourism Education and Awareness	R 1,900,762	New Indicator	10	10	Fully effective	N/A	N/A	Signed Event Evaluation Reports by Director (with Annexures)
6. To boost agriculture contribution and improve food security in the District by 2022	2_6_1_P059	1. Number of Agri-Park facilities and Value chain programs supported through sector coordination.	P059 Agri-Parks & Agro-Processing	R 6,050,000	3	3	3	Fully effective	N/A	N/A	Business Plans; Signed Report on Hydroponic tunnels; Signed Report on Rural Agro-Industrial Programs developed and implemented
	2_6_2_P060	2. Number of Rural Agro-Industrial Programs developed & implemented	P060 RAFI (Rural Agro-industrialisation Finance Initiative) Implementation	R 9,200,000	New Indicator	1	1	Fully effective	N/A	N/A	Signed Reports by Director (with annexures)

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
7. To provide support to entrepreneurs , create employment opportunities and boost investment to grow the district economy by 2022	2_7_1_P061	1. Number of aquaculture capacity building programmes conducted for enterprises (For formal and/ or informal enterprises)	P061 Aquaculture Capacity Building	R 767,500	1	1	1	Fully effective	N/A	N/A	Signed Training Report by Director (with Annexures)
	2_7_2_P062	2. Number of programmes implemented for Informal trade, Enterprises, Cooperatives and SMME's	P062 Informal Trade, Enterprises, Cooperatives and SMME's	R 850,000	4	4	6	Outstanding performance	External departments usually solicit the support of REDP to partner up in trainings. These trainings are at an ad-hoc basis which are unplanned by the District. Mine Workers Development Agency Cooperative's Workshop was as a result of a partnership agreement and as such	N/A	Signed Report by Director on programmes (with annexures)

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
									the District in partnership with MDA & Ntinga conducted the program. The Cooperatives Study workshop was as a result of cooperation with University of Limpopo, Tswane University of Technology, WSU & Agricultural Research Council was also meant for cooperatives in the district.		
	2_7_3_P063	3. Number of Incubatees supported	P063 Forestry Incubation	R 850,000	10	10	10	Fully effective	N/A	N/A	Incubation Certificates, Signed Quarter Report (with annexures) & Completion Report

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
	2_7_4_P064	4. Number of Cooperatives supported	P064 Enterprise, Cooperatives and SMME's support	R 12,000,000	10	30	21	Performance not fully effective	Procurement processes halted progress and contributed to the non-achievement of the target.	Cooperatives have been awarded during July and August of 2018.	CIPC document, Needs analysis Report, Signed Reports on Support provided by Director (with annexures)
	2_7_5_P065	5. Number of jobs created through municipality's local, economic development initiatives including Expanded Public Works Programme	P065 Employment Creation	R 11,123,650	867	250	250	Fully effective	N/A	N/A	Signed Contracts, Signed Reports by Director (with annexures)
	2_7_6_P066	7. Number of sector strategies developed and submitted to Council	P066 Sector strategies development	R 1,390,000	New Indicator	4	4	Fully effective	N/A	N/A	Proof of submission to Council Enterprise Strategies
	2_7_7_P067	7. Number of trade and investment, SMME brochures developed	P067 Trade and investment, SMME brochures	R 250,000	New Indicator	2	0	Unacceptable performance	The research work preceding packaging was completed late due to	Various sub-teams were formed to fast track the work. Schedule of activities was	Trade and investment brochure SMME brochure

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
									lack of availability of relevant stakeholders	developed to track the work progress. Brochures will be completed in the first quarter of 2018/19 year	

KPA 3: FINANCIAL MANAGEMENT AND VIABILITY

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
1. To effectively and efficiently manage and grow the district municipality's revenue through a mix of revenue management, enhancement and protection strategies by 2022	3_1_1_P068	1. Net debtors days	P068 Net debtors days	R 0	157 Days	30 Days	2511	Unacceptable performance	Gross Debtors to the municipality are excessive. Debtors are being billed excessively due to leakages. Bad Debt increasing as people are being billed although unable to pay	Full implementation of the debt collection policy by: 1) Embarking on a vigorous data cleansing of the consumer data base. 2) Appointing a service provider to perform debt collection for the municipality	Bank Statements / Debtors Age Analysis
	3_1_2_P069	2. Collection Rate	P069 Collection Rate	R 0	New Indicator	70%	104%	Outstanding performance	The District employed more initiatives for the collection towards the end of the financial year.	N/A	Collection Ratio Analysis

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
	3_1_3_P070	3. Cost coverage	P070 Cost coverage	R 0	1 - 4 Months	1 - 3 Months	3 Months	Fully effective	N/A	N/A	Bank Statements / Debtors Aged Analysis
	3_1_4_P071	4. Percentage increase in district municipal billing	P071 Revenue	R 0	New Indicator	9%	11%	Performance significantly above expectations	There is a data cleansing project and there were properties that were not previously billed but have been identified for billing	N/A	Billing Reports/Section 52d
	3_1_5_P072	5. Amount of future cash invested in high-earning investments	P072 Cash Investment	R 0	R22 Million	R25 Million	R 50.9 Million	Outstanding performance	Grants are not spent according to projections and the funds are accumulating interest	N/A	Bank statements / Investments reconciliations
2. To improve the internal control environment and enhance efficiencies in expenditure management by 2019	3_2_1_P073	1. The percentage of a municipality's capital budget spent on capital projects identified for a particular financial year in terms of the municipality's integrated	P073 Capital Budget	R 0	100%	100%	100%	Fully effective	N/A	N/A	Processed Payment Recons / Section 52d Report

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
		developmental plan									
	3_2_2_P074	2. Percentage of payments processed within 30 days of receipt of valid invoice	P074 Payments	R 0	New Indicator	100%	100%	Fully effective	N/A	N/A	30 day formulae (circular 71), Signed Quarterly Report by Director & Audit Report
3. To achieve mSCOA compliance by the district municipality in line with the National Treasury Regulations and Guidelines by 2018/2019	3_3_1_P075	1. Percentage implementation of mSCOA Implementation Plan	P075 mSCOA	R 9 000 000	New Indicator	100%	100%	Fully effective	N/A	N/A	mSCOA Implementation Plan mSCOA reports
4. To submit accurate and complete Annual Financial Statements to the Auditor General by	3_4_1_P076	1. Number of Annual Financial Statements submitted to Auditor General by 31 August	P076 Annual Financial Statements	R 13,000,000	1	1	1	Fully effective	N/A	N/A	Annual Financial Statements and correspondence; Proof of receipt by National Treasury

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
31 August on an annual basis											and Auditor General
5. To ensure the effective implementation of demand management, acquisition management, contract management, supplier performance management and SCM risk management by 2022	3_5_1_P077	1. Percentage of budget classified as irregular expenditure	P077 Irregular Expenditure		New Indicator	0%	746%	Unacceptable performance	Amount of irregular expenditure emanates from prior years including Amatola Water	A committee has been established to investigate irregular expenditure. The Municipality will conduct workshops on SCM regulations to ensure that people will comply. The contract of Amatola Water which contributes to large amount of irregular expenditure has been reviewed and will be regularized	Auditor General Report
	3_5_2_P078	2. Percentage of bids processed within 90 days	P078 Supply Chain Management		New Indicator	100%	100%	Fully effective	N/A	N/A	SCM Reports

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
		after closing date									
6. To ensure that the annual budget planning and preparation is sustainable, credible, funded and mSCOA compliant	3_6_1_P079	1. Number of mSCOA compliant Budgets submitted to National Treasury by stipulated deadline date	P079 mSCOA compliant Budget		New Indicator	2	2	Fully effective	N/A	N/A	Budget Proof of Receipt by National Treasury and Auditor General

KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	Quarter 4 Evaluation				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
1. To instill good governance and strengthen public participation through effective communication between Municipalities and communities by 2022	4_1_1_P080	1. Number of Mayoral committee meetings held	P080 Section 80 Committee Meetings	R 370,000	12	12	12	Fully effective	N/A	N/A	Attendance Register Minutes of meetings and record of MAYCO resolutions
	4_1_2_P081	2. Number of Sector focused and Mayoral Imbizo's held	P081 Sector focused and Mayoral Imbizo	R 4,420,000	16	16	16	Fully effective	N/A	N/A	Signed Narrative Quarterly Reports, Signed Sectoral Engagement Report/Mayoral Imbizo Report
	4_1_3_P082	3. Number of Ambassador development initiatives conducted	P082 O.R Tambo Ambassador Development Initiatives	R 115,000	New Indicator	2	3	Outstanding performance	The office responded to a request for a workshop on chemical production and agro-processing that was made in partnership with the Department of REDP	N/A	Programme narrative quarterly and annual reports and attendance registers

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	Quarter 4 Evaluation				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
2. To instill good governance in all municipal operations and strengthen relations with stakeholders by 2022	4_2_1_P83	1. Number of Municipal Oversight Model (MOM) imperatives (Annual Reports, Budget, Quarterly Reports and FIS) assessed	P083 Municipal Oversight Model	R 910,000	28	32	40	Outstanding performance	Addition 16 Analysis reports were produced during then financial year	N/A	Portfolio Oversight Reports (in line with MOM)
	4_2_2	2. Number of Ordinary and Open Council meetings held	N/A	R 3,100,000	6	6	7	Fully effective	N/A	N/A	Minutes of Council Meetings/Council Agendas
	4_2_3	3. Percentage of ward committees assessed	N/A	R 0	100%	100%	100%	Fully effective	N/A	N/A	Ward Committee Assessment Reports
	4_2_4	4. Number of Whippery imperatives supported	N/A	R 2,140,000	New Indicator	16	32	Outstanding performance	Committee study groups and council caucuses, whippery meetings sat more than expected due to high demand for political stability	N/A	Notices
	4_2_5_P084	5. Number of risk assessments conducted	P084 Implementation of Risk Strategy	R 767,500	1	4	4	Fully effective	N/A	N/A	Risk Report Attendance Register Minutes of Risk

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	Quarter 4 Evaluation				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
											and Compliance Committee
	4_2_6_P085	6. Number of District Fraud hotlines established	P085 District Fraud Hotline		New Indicator	1	0	Unacceptable performance	The process for the establishment of the Hotline has been subjected to procurement processes and the specification took more than expected as the project has been the first of its nature in the institution	The tender has been advertised and is being evaluated for the award. Evaluation will be accelerated in order to award the tender and then table the matter to Council	Council Resolution on approval of the establishment Launch of the District Fraud Hotline Fraud hotline Report
	4_2_7_P086	7. Audit Opinion on Compliance (Laws & Regulations)	P086 Audit Opinion on compliance (Laws & Regulations)	R 0	Qualified	Unqualified	Qualified	Performance not fully effective	The district obtained unqualified audit opinion as a result of capacity constraints, as well as the culture of the people in relation to the	The Municipality developed Management Action Plan that is aimed at addressing all the issues raised by AG.	AG Report

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	Quarter 4 Evaluation				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
									procurement system		
	4_2_8_P087	8. Number of Inter-Governmental Relations (IGR) partnerships formed	P087 IGR Partnerships	R 1,452,500	New Indicator	2	2	Fully effective	N/A	N/A	Signed Partnership Agreements
	4_2_9	9. Number of quarterly reports submitted to Council on functionality of IGR	N/A		New Indicator	4	4	Fully effective	N/A	N/A	War rooms quarterly report
3. To ensure effective, well-coordinated and integrated district wide communication by 2022	4_3_1_P088	1. Number of quarterly communication Initiatives implemented	P088 Communication Initiatives	R 7,960,000	8	16	26	Outstanding performance	Ten additional adhoc activities were done as required by the requirements of the District	N/A	Summative quarterly performance reports
4. To ensure a district wide coordination of implementation, monitoring and	4_4_1_P089	1. Number of municipal institutional performance reports submitted to Council	P089 Institutional Performance	R 1,260,000	6	6	6	Fully effective	N/A	N/A	Proof of submission to AG, Signed Performance Reports & Council Notice

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	Quarter 4 Evaluation				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
evaluation of the IDP	4_4_2_P090	2. Number of material findings raised by the Auditor General on the Audit of Performance Information	P090 Audit Opinion on Pre-determined objectives	R 7,112,500	2	0	2	Unacceptable performance	The Performance Management System has not been fully adapted by the Municipal personnel and as such most of the information that was required by AG for system description could not be provided. Secondly, the AG did not agree with how the municipality was reporting in relation to indicators measuring percentage completion.	The Municipality developed Management Action Plan that is aimed at addressing all the issues raised by AG. A new way of reporting has been devised by the PMS team in collaboration with the Project Managers with regards to reporting of infrastructure projects.	AG Report
	4_4_3_P091	3. Number of mSCOA compliant IDP's adopted by council	P091 mSCOA compliant IDP		1	1	1	Fully effective	N/A	N/A	mSCOA Compliant IDP Council Resolution

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	Quarter 4 Evaluation				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
	4_4_4_P092	4. Number of Service Delivery Budget and Implementation Plans approved by the Mayor	P092 Service Delivery Budget and Implementation Plan		1	1	1	Fully effective	N/A	N/A	SDBIP endorsed by the Mayor
	4_4_5_P115	5. Number of District Development Plan (DDP) vision 2030 initiatives conducted	P115 District Development Plan Initiatives	R 0	New Indicator	4	6	Outstanding performance	To ensure that development within the district runs smoothly, a need to conduct a land and investment summit was identified and the PSC was established and a concept document was developed.	N/A	Report on DDP initiatives
5. To ensure compliance with legislation, policies, regulations and to minimise exposure to avoidable	4_5_1_P093	1. Percentage reduction in litigation cases	P093 Litigations	R 6,375,000	New Indicator	25%	44%	Outstanding performance	There has been particular focus on negotiating all matters where the municipality does not have possibility to	N/A	Litigations Report

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	Quarter 4 Evaluation				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
litigations by 2022									win. The panel of attorneys had assisted in analysing some of the matters.		
6. To obtain a clean audit opinion by 2018/19	4_6_1_P094	1. Audit Opinion	P094 Audit Opinion	R 0	Qualified	Unqualified	Qualified	Performance not fully effective	The District obtained qualified audit opinion as a result of irregular expenditure	The Municipality developed Management Action Plan that is aimed at addressing all the issues raised by AG.	AG Report
	4_6_2_P095	2. Number of follow-up quarterly reports on Internal Audit, Audit Committee and Auditor-General issues compiled	P095 Follow-up audit	R 0	New Indicator	4	4	Fully effective	N/A	N/A	Dated and signed quarterly follow-up quarterly report on Internal Audit, Audit Committee and Auditor-General issues
	4_6_3_P116	3. Number of Audit Committee meetings held	P116 Audit Committee	R 0	4	4	6	Outstanding performance	2 Special Audit Committee meeting were convened during the	N/A	Minutes of meetings Attendance Registers

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	Quarter 4 Evaluation				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
									financial to consider District reports in order to ensure compliance.		
	4_6_4_P117	4. Number of organisations provided with Internal Audit support	P117 Internal Audit Support	R 0	5	4	4	Fully effective	N/A	N/A	Signed Summative report per entity supported.
	4_6_5_P118	5. Number of risk-based internal audit plan approved by the Audit Committee	P118 Risk Based Internal Audit Plan	R 0	1	1	1	Fully effective	N/A	N/A	Audit Committee minutes Risk-Based Internal Audit Plan
	4_6_6_P119	6. Number of MPAC technical support reports provided	P119 Technical Support MPAC	R 0	New Indicator	4	4	Fully effective	N/A	N/A	Attendance Registers

KPA 5: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
1. To effectively and efficiently recruit and retain competent Human Capital by 2022	5_1_1_P096	1. Average number of days taken to fill posts	P096 Recruitment and Selection	R 985,000	New Indicator	90 days	90 days	Fully effective	N/A	N/A	Adverts and Master lists confirmation
2. To ensure a well trained, motivated and professional workforce by 2022	5_2_1_P097	1. Percentage spent of the WSP budget	P097 Workplace skills Plan	R 10,627,500	100%	100%	100%	Fully effective	N/A	N/A	Training Budget Report on training budget spent
3. To increase the number of people from employment equity target groups in the three highest levels of management	5_3_1_P098	1. Number of employment equity plans developed	P098 Employment Equity Plan	R 0	New Indicator	1	1	Fully effective	N/A	N/A	Employment Equity Plan
4. To provide effective and efficient human resource and corporate administration support	5_4_1_P099	1. Percentage functionality of Local Labour Forum (LLF)	P099 Local Labour forum	R 157,500	New Indicator	100%	100%	Fully effective	N/A	N/A	Minutes of the LLF Report on LLF Resolutions
	5_4_2_P100	2. Number of Departments with updated records at the registry	P100 Record Management	R 1,808,500	0	4	4	Fully effective	N/A	N/A	File Inventories

Strategic Objective	Indicator Code	Indicator	Project	Budget Allocation 17/18	Baseline	Annual Target 2017/2018	2017/18 Annual				Means of Verification
							Annual Actual	Performance Assessment	Reason for Deviation	Corrective Action	
	5_4_3_P101	3. Number of employee wellness programmes implemented	P101 Wellness Programmes	R 1,075,000	4	4	4	Fully effective	N/A	N/A	Wellness Programme Report
	5_4_4_P102	4. Number of municipalities who have completed the Job Evaluation Process	P102 Job Evaluation	R 1,100,000	3	3	3	Fully effective	N/A	N/A	Signed JE Reports (with annexures)
	5_4_5_P103	5. Number of IT related Audit Findings resolved	P103 Information Communication and Technology Controls	R 0	New Indicator	6	6	Fully effective	N/A	N/A	Signed ICT Reports with logs
	5_4_6_P104	6. Percentage of reported OHS Incidents investigated	P104 Occupational Health and safety	R 316,692	New Indicator	100%	100%	Fully effective	N/A	N/A	Signed OHS Reports by Director

CHAPTER 4 - ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 Employee Totals, Turnover and Vacancies

4.1.1 Total Number of Number of Municipal Employees per Department

Employees				
Description	2017/18			
	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	%
Water and Sanitation	772	667	105	14%
Technical Services	63	12	51	81%
Community Services	175	144	31	18%
Human Settlements	35	12	23	66%
Rural, Economic and Development Planning	107	25	82	77%
Budget & Treasury Office	187	105	82	44%
Corporate Services	431	82	349	81%
Internal Audit	14	9	5	36%
Legislative Services	59	49	10	17%
Executive Mayoral Office	117	88	29	25%
Office of the Municipal Manager	44	31	13	30%
Executive Mayoral Services	50	37	13	26%
TOTAL	2004	1261	793	40%

4.1.2 Turnover Rate

4.1.2.1 Turnover rate on top management positions

Vacancy Rate on Top Management Positions: 2017/18			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Director Water and Sanitation	1	0	0.00
Director Technical Services	1	1	100.00
Director Community Services	1	0	0.00
Director Human Settlements	1	0	0.00
Director Executive Mayoral Services	1	0	0.00
Director Legislative Services	1	0	0.00
Director Rural Economic Development and Planning	1	0	0.00
Director Internal Audit	1	1	100.00
Director Corporate Services	1	0	0.00
Director Office of the Municipal Manager	1	0	0.00
Total	12	2	16.67

4.1.2.2 Vacancy Rate on District Employees

Vacancy Rate on all District Employees				
Total number of employees	Vacant positions	New Employees (2017/18)	Resignations in 2017/18	Turnover Rate
1261	793	86	12	0.95%
117 (casual employees)				

4.1.2.3 Staff Turnover per Category and Post Level

Resignations/Terminations	
Senior Managers	02
Middle management	01
General staff	09
Total	12
Retirements	

Senior Managers	0
Middle management	01
General staff	09
Total Retirements	10
Deaths	
Senior Managers	0
Middle Managers	02
General staff	11
Total deaths	13

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 Policies

Policy	Status	Date Adopted by Council or Comment on failure to adopt
Attendance & Punctuality	New	
Essential user scheme	Reviewed	
Overtime policy	Reviewed	
Acting allowance policy	Reviewed	
Code of conduct policy	Reviewed	
Termination of services policy	Reviewed	
Bursary policy	Reviewed	
Subsistence & Travelling policy	Reviewed	
Integrated Employee/Employer Wellness	Reviewed	
Retention policy	Reviewed	
Whistle Blowing policy	New	
Sexual Harassment	New	
Information & Communication Technology	Reviewed	
Security Management & Access Control policy	Reviewed	

4.3 Injuries, Sickness and Suspensions

The table below reflects on the resignations, injuries, death and pensions

Category	Number Of Employees
Injuries	01
Death	14
Pension	19
Contract expired	02

Category	Number Of Employees
Resignations	11

The bae below illustrates the number and cost of injuries on duty incurred during the financial year:

Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	16	1	6%	3	60
Total	16	1	6%	3	60

The table below illustrates the number of days and cost of sick leave for the financial year under review:

Salary band	Total sick leave	Employ ees using sick leave	Proporti on of sick leave without medical certifica tion	Total employ ees in post*	*Avera ge sick leave per Employ ees	Estima ted cost
	Days	No.	%	No.	Days	R' 000
Unskilled skilled (TG 1-3)	297	10	3.4	461	0.25	
Semi Skilled (TG 4-8)	265	7	2.6	238	0.22	
Skilled Technical & Academically Qualified/Junior Management/Supervisors/fore man/superintendants (TG 9-13)	607	47	7.7	425	0.50	
Professionally qualified & experienced specialits (TG 14-18)	80	8	10.0	75	0.07	
Senior management (TG 18-22)	0		0.0	0	0.00	
MM and S57			0.0	10	0.00	
Total	1249	72	23.8	1209	1.03	0

During the financial year, the District suspended one employee and the details of the case are illustrated in the table below:

Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Gross insubordination & gross insolence	01-Dec-17	In progress & partly heard, however employee have initiated plea agreement but rejected conditions attached and that prompted employer to reconvene full hearing	Case in progress

The table below has the list of disciplinary cases that were handled during the financial year:

Position	Department	Area	Nature Of Offence	Progress	Date Finalized	Finding	Sanction
Process Controller	Water	Thornhill	Gross Derelction Of Duties	Finalized		Guilty	Dmotion, 10 Days Suspension Without Pay
General Worker	Water	Psj	Desertion	Finalized	04-Apr-18	Guilty	Disssmisal
Plumber	Water	Thornhill	Desertion	Finalized	04-Apr-18	Guilty	Disssmisal
Plumber	Water	Thornhill	Desertion	Finalized	04-Apr-18	Guilty	Disssmisal
Customer Care Clerk	Water	Mqanduli	Abscondment/Awol	Finalized	31-Jul-18	Guilty	Final Written Warning, 10 Days Suspension Without Pay
General Foreman	Water	Mqanduli	Abscondment/Awol	Finalized	31-Jul-18	Guilty	Final Written Warning, 10 Days Suspension Without Pay

Position	Department	Area	Nature Of Offence	Progress	Date Finalized	Finding	Sanction
General Worker	Water	Mqanduli	Abscondment/Awol	Finalized	31-Jul-18	Guilty	Final Written Warning, 10 Days Suspension Without Pay
Station Commander	Fire	Nyandeni	Insurbodination , Ngeligence & Desertion	Finalized	09-Jan-18	Guilty	Dismissal
Senior Fire Fighter	Fire	Nyandeni	Desertion/Awol, Dishonesty	Finalized	19-Mar-18	Guilty	Dismissal
Driver	Legislative Services	Umtata	Fraud, Theft, Dishonesty	Finalized	06-Aug-18	Guilty	Dismissal
Project Accountant	Bto	Umtata	Fraud, Corruption And Gross Dishonesty	Finalized	23-Jul-18	Guilty	Dismissal

COMPONENT C: CAPACITATING MUNICIPAL WORKFORCE

4.4 Performance Rewards

The District is not yet at the stage of implementing performance rewards as it is still at the stage of developing individual performance management. However, over the year the district has been able to adopt the policy framework that serves to guide performance management. It also conducted evaluations of the Senior Management for the mid-term.

4.5 Skills Development and Training

Training interventions are structured according to the:

- Study assistance programme (Formal qualifications)
- Skills programmes/ Short courses
- Learner ships &

- Experiential training programme (student trainees and Internships)

Table: Skills Programme/ Short Course – Employed Leaners (18.1)

No	Learning Programme	Department	Duration of Training	Actual No. of Beneficiaries Trained	Name of Training Provider
1.	Occupational Health & Safety	CPS	3 days	1	IOSHA
2.	Graphic Design	REDP	Part 1 -12 days	1	Morning Star Design
3.	Strategic Business Management	WASS	04 Months	1	
4.	SDF course	CPS	5 days	2	Pro- Active College
5.	Advanced Project Management	WASS, OEM, COMM SERV	8 days	16	LeMark Training & Dev.
6	Customer care training	LEG SERV, OMM, CPS & BTO	5 DAYS	20	Walter Sisulu University
7	Certificate programme in the dev and man. Of local gov	OEM	3 months	1	Wits University
8	Basic training officer course	Mhlontlo Local municipality	1 week	10	PE traffic training college
9	Secretary day annual conference	OMM,CPS, OEM, LEG SERV AND REDP	3 DAYS	19	MichTech Skills solution
10	National leadership development in SA	CPS	1 day	1	SABPP
11	Life coaching	CPS	6 months	2	New insight
12	Payroll module HR & BUDGET MODULES	BTO & CPS	5 DAYS	28	Payday
13	Payroll module	BTO	5 days	8	Payday

No	Learning Programme	Department	Duration of Training	Actual No. of Beneficiaries Trained	Name of Training Provider
14	Launch of national leadership and payroll standards	CPS	1 day	4	SABPP
15	HR Standards workshop	CPS	1 day	13	SABPP
16	Annual conference Impsa	CPS, Mhlontlo LM & Nyandeni LM	3 days	13	IMPISA
17	Tax law	BTO	8 WEEKS (ON LINE)	2	University of Cape town
	TOTAL			142	

Table: Study Assistance- Employed Learners (18.1)

No	No of Beneficiary	Department	Name of Institution	Qualification/ Certificate
1	13	WASS, CPS, COM SERV, & OMM	UNIVERSITYU OF FORT HARE	SHEQ management, Masters in Public admin, BA Public admin, Monitoring and evaluation, masters in library & advanced cert in Public admin
2	5	WASS	NMU	Msc Geography and B-tech degree
3	2	REDP & OEM	WSU	Bachelor of Laws
4	1	Com serv	Lyceum college	Bachelor of arts in disaster and safety management
5	6	BTO, REDP, OEMM & CPS	UNISA	Accounting science, bachelor of laws, Llb, Pgd In Applied Accounting Science & Pgd In Security Management
6	3	OMM, CPS & COM SERV	UFS	BSP (Hons) spatial planning, masters urban and regional planning & PGD in Disaster management
7	1	REPD	INST.MAN.ACC. AND STRATEGY	CIMA Diploma in management accounting
8	1	OEM	Wits University	Masters in Management

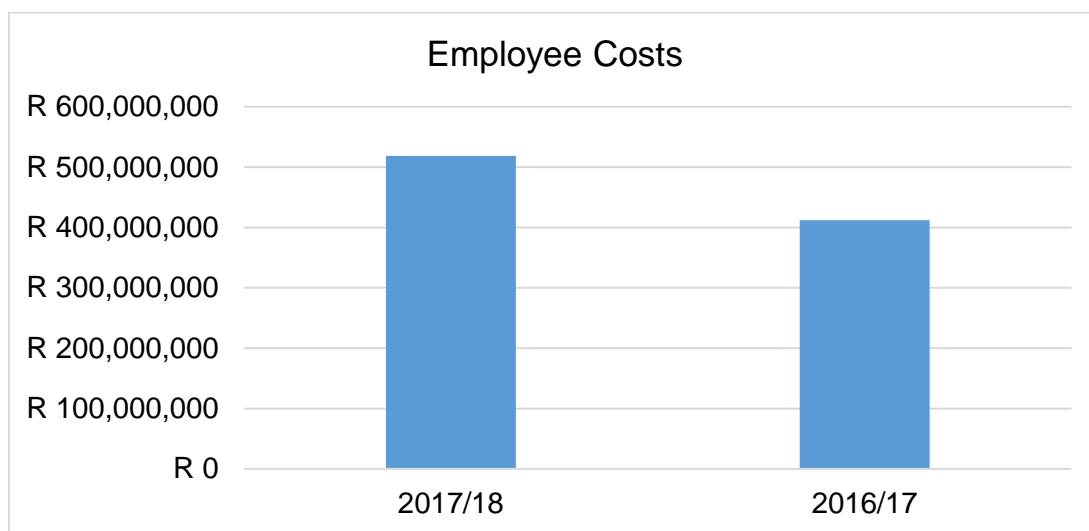
No	No of Beneficiary	Department	Name of Institution	Qualification/ Certificate
9	30	CPS , BTO	Regent Business School	B com HR, MBA, PGD in Management, Bachelor of Commerce
10	1	COMM SERV	Southern Business School	Diploma in Disaster Risk Management
11	69	WASS, CPS, BTO, LEG SERV, OEM, OMM	Wits Business School	Municipal Executives Financial Management Programme(CPMD)
12	16	CPS	Info Tech	Secretarial & Management skills with Computer Literacy
13	1	WASS	Learn fast Training Solutions	MCSA SOL server GIS course
14	9	REDP, COMM SERV, WASS, OMM	UJ	Advanced Certificate in Municipal Governance
15.	5	CPS	Boston College	Sports Management, Office Admin/ Secretarial Course, ND in IT, Advanced Computer
16.	15	LEG SERV, CPS, REDP, BTO	MANCOSA	Hons in Public Administration, Bcom IT, MBA, Bachelor of Public Administration, PGD in Project Management
Total	178			

Table: Leanership & Experiential Training (18.1 & 18.2)

No.	Learning Programme	Department/ Stakeholder	Actual No. of Beneficiaries Trained	Duration of Training	Name of Training Provider
1	Water and waste water Treatment Level 3	WASS	12	1 year	Asante
2	Water and Waste water Treatment Control/ Operational level2 (18.2) & (18.1)	WASS	40	1 year	Mahube Training & Dev
3	Water and waste water process	WASS	15	1 year	Water Academy

No.	Learning Programme	Department/ Stakeholder	Actual No. of Beneficiaries Trained	Duration of Training	Name of Training Provider
	Control/ Operation (18.1)Level 3				
4	INTERNSHIPS	ALL DEPTS	55	1 year	OR TAMBO DM
5	STUDENT TRAINING	ALL DEPTS	64	6M – 18M	OR TAMBO DM
6	Mobile Artisan Training(Plumbing, Brick laying, Electricity & Carpentry)	Community	100	1 Month	Coega Dev Corporation
TOTAL BENEFICIARIES			186		

4.6 Employee Expenditure



Employee costs for the financial year under review has increased by R106M from the previous financial year. The filling of key vacant positions as well as annual salary increases of employees have affected this increase.

CHAPTER 5 – FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

5.1 Statement of Financial Performance

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Figures in Rand					
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Service charges	268,583,183	-	268,583,183	230,491,347	(38,091,836)
Rental of fixed assets	55,000	-	55,000	89,795	34,795
Interest received (trading)	30,000,000	9,000,000	39,000,000	87,144,255	48,144,255
Operational revenue	327,807,679	15,125,424	342,933,103	131,242,282	(211,690,821)
Total revenue from exchange transactions	626,445,862	24,125,424	650,571,286	448,967,679	(201,603,607)
Revenue from non-exchange transactions					
Transfer revenue					
Transfers and subsidies	735,126,000	-	735,126,000	1,713,088,451	977,962,451
Income from Agency Services	-	-	-	77,383	77,383
Total revenue from non-exchange transactions	735,126,000	-	735,126,000	1,713,165,834	978,039,834
Total revenue from exchange transactions'	626,445,862	24,125,424	650,571,286	448,967,679	(201,603,607)
Total revenue from non-exchange transactions'	735,126,000	-	735,126,000	1,713,165,834	978,039,834
Total revenue	1,361,571,862	24,125,424	1,385,697,286	2,162,133,513	776,436,227
Expenditure					
Employee Related Costs	(418,202,541)	588,455	(417,614,086)	(511,495,491)	(93,881,405)
Remuneration of councillors	(17,589,496)	(9,490,814)	(27,080,310)	(18,578,491)	8,501,819
Depreciation and amortisation	(167,308,208)	6,000,000	(161,308,208)	(156,116,362)	5,191,846
Finance costs	-	-	-	(8,065,681)	(8,065,681)
Debt Impairment	(83,337,653)	-	(83,337,653)	(88,730,330)	(5,392,677)
Bulk purchases	(73,550,000)	(13,000,000)	(86,550,000)	(44,382,077)	42,167,923
Contracted Services	(108,346,804)	19,619,140	(88,727,664)	(219,987,097)	(131,259,433)
Transfers and Subsidies	(33,404,203)	(4,100,000)	(37,504,203)	(159,815,257)	(122,311,054)
Operational Costs	(456,129,910)	(23,938,998)	(480,068,908)	(350,532,960)	129,535,948
Total expenditure	(1,357,868,815)	(24,322,217)	(1,382,191,032)	(1,557,703,746)	(175,512,714)
	1,361,571,862	24,125,424	1,385,697,286	2,162,133,513	776,436,227
	(1,357,868,815)	(24,322,217)	(1,382,191,032)	(1,557,703,746)	(175,512,714)
Operating surplus	3,703,047	(196,793)	3,506,254	604,429,767	600,923,513
Loss on disposal of assets	-	-	-	(7,518,842)	(7,518,842)
Actuarial gains/losses	-	-	-	(9,798,000)	(9,798,000)
	-	-	-	(17,316,842)	(17,316,842)
	3,703,047	(196,793)	3,506,254	604,429,767	600,923,513
	-	-	-	(17,316,842)	(17,316,842)
Surplus / (Deficit) for the year	3,703,047	(196,793)	3,506,254	587,112,925	583,606,671

5.2 Grants

National: FMG Funds

Current-year receipts	2,045,000	1,710,000
Conditions met - transferred to revenue: Operating expenses	(2,042,065)	(1,710,000)
Other adjustments / Refunds	(2,935)	-
	-	-

National: WSIG Funds

Current-year receipts	124,000,000	109,739,000
Conditions met - transferred to revenue: Capital expenses	(108,536,202)	(96,763,259)
Other adjustments / Refunds	(15,463,798)	(12,975,741)
	-	-

Conditions still to be met - remain liabilities (see note 17).

This grant was received for the building and maintenance of water and sanitation infrastructure in the district. No funds have been withheld..

National: Regional Bulk Infrastructure Grant (RBIG)

Balance unspent at beginning of year	-	-
Current-year receipts	327,500,000	343,183,000
Conditions met - transferred to revenue: Operating expenses	(36,676)	-
Conditions met - transferred to revenue: Capital expenses	(293,770,501)	(301,016,101)
Other adjustments / Refunds	(33,692,823)	(42,166,899)
	-	-

National: Department Roads and Transport

Current-year receipts	2,931,000	2,693,000
Conditions met - transferred to revenue	(2,582,978)	(2,338,066)
Other	(348,022)	(354,934)
	-	-

National: EPWP Grant

Current-year receipts	4,811,000	3,213,000
Conditions met - transferred to revenue	(4,811,000)	(3,174,663)
Other adjustments / Refunds	-	(38,337)
	-	-

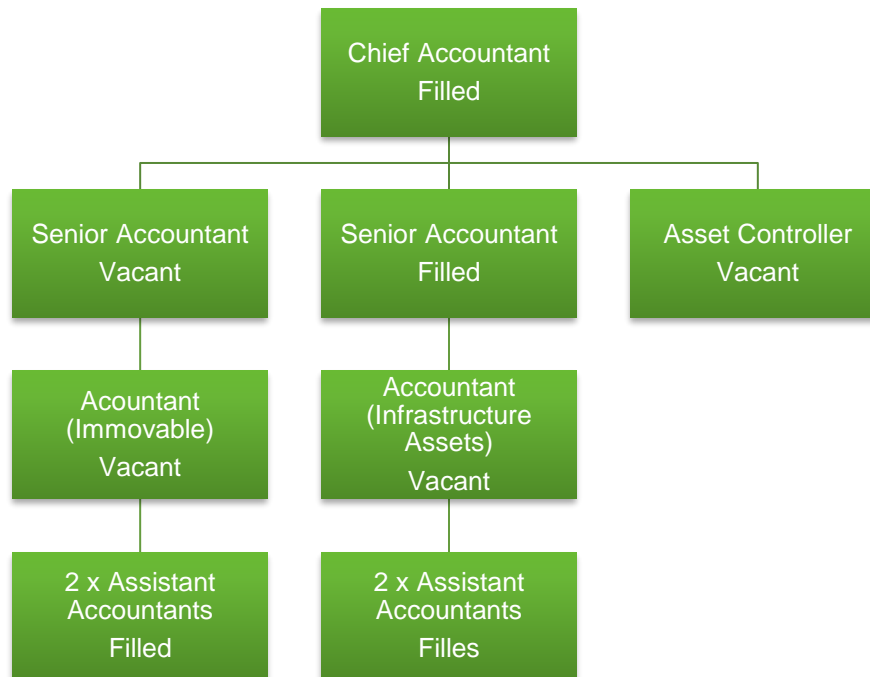
5.3 Asset Management

Asset management practice is not in a good state within our organisation due to non-adherence to asset management policy, which is an institutional problem. Assets are being moved without following proper procedures of filling asset removal forms, as a result during asset verification we always encounter problems with asset verification.

5.3.1 Key Elements from the Asset Management Policy

- The Municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of an asset needed to provide the minimum level of basic municipal services.
- The Municipality may not transfer ownership or otherwise dispose of an asset other than one contemplated above, but only after the Council, in a meeting open to the public has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and has considered the fair market value of the item and the economic and community value to be received in exchange for the asset.
- Every Head of Department shall, however, ensure that any item with a value in excess of R250 (two hundred and fifty rand) (incl. VAT), and with an estimated useful life of more than one year, shall be recorded on an inventory list. Every Head of Department shall ensure that the existence of items recorded on such inventory is verified from time to time, and at least once in every financial year, and any amendments which are made to such inventories pursuant to such stock verifications shall be retained for audit purposes.
- Only expenses incurred in the enhancement of an asset item (in the form of improved or increased services or benefits flowing from the use of such item) or in the material extension of the useful operating life of an asset item shall be capitalised.
- Expenses incurred in the maintenance or reinstatement of an asset item shall be considered as operating expenses incurred in ensuring that the useful operating life of the item concerned is attained, and shall not be capitalised, taking into account International Financial Reporting Standards in respect of the expenses concerned.
- Every Head of Department shall ensure that a maintenance plan in respect of every new infrastructure asset with a value of R100 000 (one hundred thousand rand) or more is promptly prepared and submitted to the Council for approval.
- If so directed by the Municipal Manager, the maintenance plan shall be submitted to the Council prior to any approval being granted for the acquisition or construction of the infrastructure asset concerned.
- The Head of Department controlling or using the infrastructure asset in question, shall annually report to the Council, not later than in July, of the extent to which the relevant maintenance plan has been complied with, and of the likely effect which any non-compliance may have on the useful operating life of the item concerned.
- If so directed by the Municipal Manager, the maintenance plan shall be submitted to the Council prior to any approval being granted for the acquisition or construction of the infrastructure asset concerned.
- The Head of Department controlling or using the infrastructure asset in question, shall annually report to the Council, not later than in July, of the extent to which the relevant maintenance plan has been complied with, and of the likely effect which any non-compliance may have on the useful operating life of the item concerned.

5.3.2 Organisational Structure of the Asset Management Unit



5.3.3 Staff Delegation

Listed below is the work plan for Asset Management

Property Plant and Equipment

Isolation of responsibilities and Segregations of duties for the current Asset Management staff is illustrated in the table below:

Roles and Responsibilities	Position
Manager	All functions
Chief Accountant	All functions
Land and Building	Assistant Accountant
Intangible assets and Leases	Assistant Accountant
Computers, Laptops and Insurance	Assistant Accountant
Furniture	Assistant Accountant
Motor Vehicles and its Insurance	Assistant Accountant

5.3.4 Issues under Development

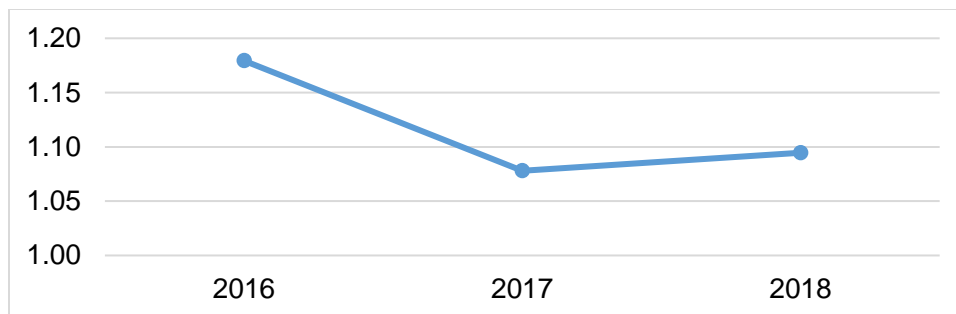
- The District requires an asset management system to import all asset registers, as currently the asset register is compiled manually on excel;
- Asset verification system to assist the municipality on verification;
- Staff trainings on GRAAP standards; and
- Recruitment of the Senior Accountant

5.3.5 Plans to Address the Development Issues

- Conversion of manual asset register into the system is in progress;
- Benchmark exercise for the procurement of asset management system will be conducted; and
- Capacitation of asset management staff will be done through training and workshops.

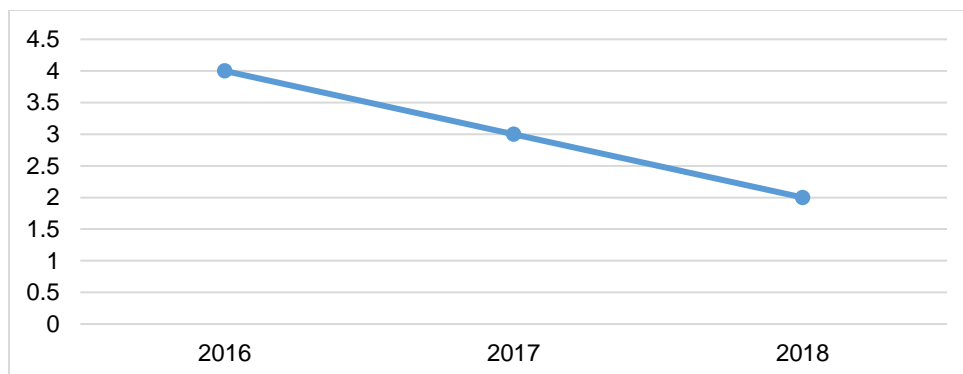
5.4 Financial Ratios based on Key Performance Ratios

5.4.1 Liquidity ratio



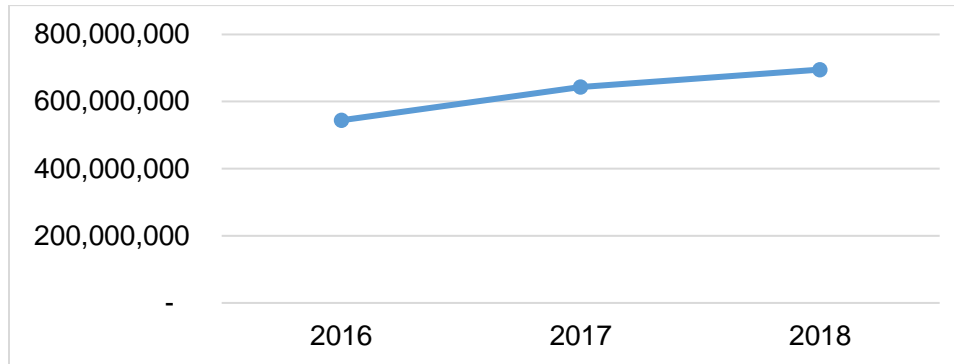
Current assets vs current liabilities. The District has less funds to maintain its assets.

5.4.2 Cost coverage



The ratio has decreased from the prior year. However, it is still within the norm of 1 - 3 months, which is evidence that the existing cash and cash equivalents can sufficiently cover up to two months expenditure even if no further cash were to be received for the next two months from year end. Though this is within the norm, there is a continuous decline and that is a concern for the municipality.

5.4.3 Total outstanding service debtors

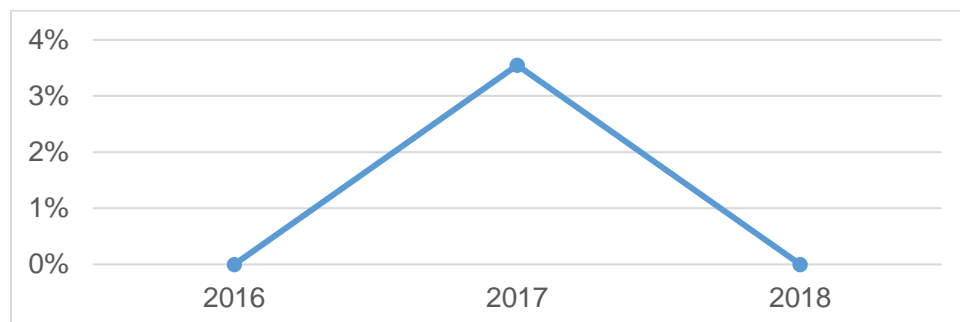


Total Outstanding Service Debtors: Measures how much money is still owed by the community for water and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

This ratio has worsened from the prior year. This is due to a number of consumers not paying their debts timeously.

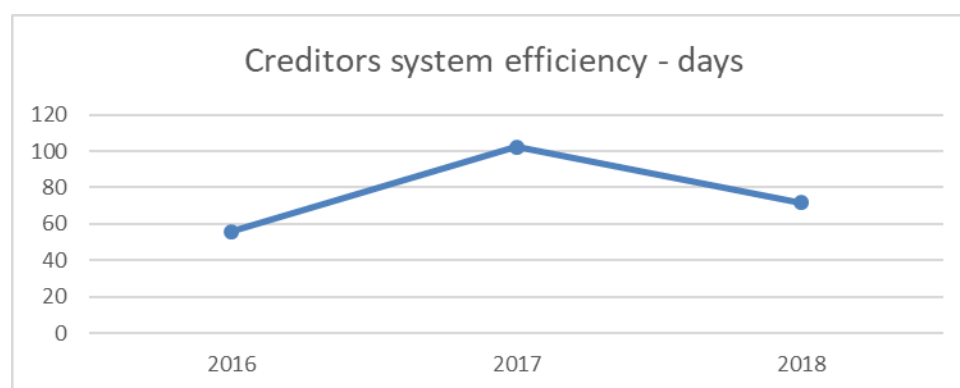
As the mandate of the municipality is to provide service delivery, it is often very hard to disconnect consumers that are not paying since some of the services provided by the municipality, like water, are basic needs that the consumers cannot live without. There have also been limited disconnections as a result data cleansing exercise that the District embarked on during the financial year. Another challenge are the water leaks within households in old locations such as Ngangelizwe etc. that leads to overcharging of consumers. When the consumers are billed, they dispute the readings.

5.4.4 Debt coverage



Debt Coverage: The number of times debt payments can be accommodated within operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the Municipality. The District maintained its status of having no borrowings.

5.4.5 Creditors system efficiency



Creditor System Efficiency measures the proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated as outstanding trade creditors divided by credit purchases.

The creditor's system efficiency ratio is continuing to worsen when compared to the previous financial year.

The norm is 30 days. The performance below the norm has been mainly as a result of the following:

1. Invoice disputes between Line Department and suppliers;
2. Withholding of payments for breach of contracts conditions;
3. Submissions of Invoices without sufficient documentation;
4. Failure of Service providers to review dates in the invoices;
5. Incorrect invoices submitted by suppliers (no vat registration numbers, incorrect invoice amounts and addresses); and
6. Verification of supplier banking details.

In terms of SCM processes, payments are only made if all disputes are resolved and correct invoices are submitted in the name of the municipality, which is in line with MFMA requirements. Furthermore, included in trade payables are retentions, which skew this ratio, as they are not required to be paid within 30 days.

The District has raw water debt from Water and Sanitation Department that will be paid off during the first quarter of 2018/19 financial year.

5.4.6 Capital charges to operational expenditure

The District does not have loans that it is servicing.

5.4.7 Employee costs



Employee cost: measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the operating expenditure multiplied by 100.

Employee related costs as a percentage of total revenue has increased from the prior year.

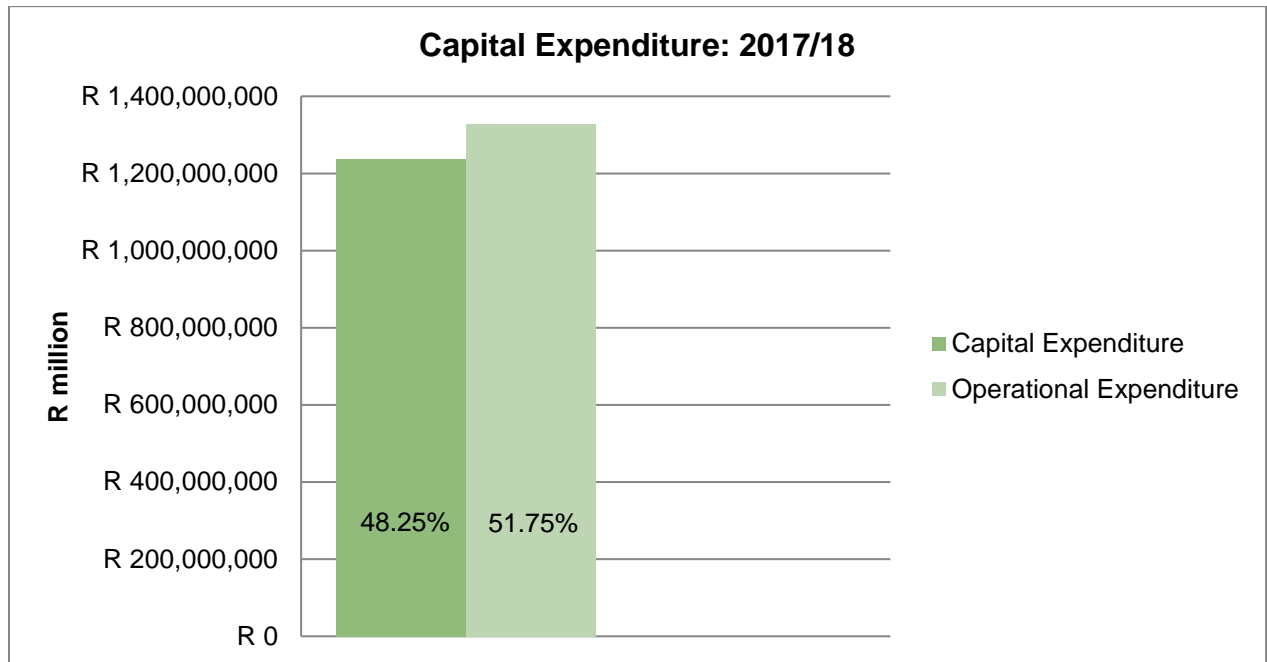
Notwithstanding this increase, the ratio remains within the norm of between 25% and 40% .This provides a demonstration that the district's expenditure is not misdirected to non-essentials or nonservice delivery related expenditure. The increase is mainly attributable to an increase in overtime payments and new appointments in key positions.

5.4.8 Repairs and maintenance

Repairs and maintenance are now classified under contracted services in line with MSCOA requirements.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 Capital Expenditure



5.6 Sources of Finance

	Original Budget	Adjustments	Final Budget	Actual Outcome	Variance	%ge Variance
Service Charges	268,583,183.00		68,583,183.00	230,491,347.00	-38,091,836.00	-14%
Rental of Assets	55,000.00		55,000.00	89,795.00	34,795.00	63%
Interest Received	30,000,000.00	9,000,000.00	39,000,000.00	87,144,255.00	48,144,255.00	123%
Other Revenue	327,807,679.00	15,125,424.00	342,933,103.00	131,242,282.00	-211,690,821.00	-62%
Transfer Recognised – Operating	735,126,000.00		735,126,000.00	1,713,088,451.00	977,962,451.00	133%
Income from Agency Services	-		-	77,383.00	77,383.00	0
	1,361,571,862.00	24,125,424.00	1,385,697,286.00	2,162,133,513.00	776,436,227.00	

Service Charges – Actual billing is corrected through data cleansing projects

Rental of Assets – Hall hire was more than projected

Interest Received – Non-payment of consumers and the investing of funds in high yielding investments resulted in variance

Other Revenue – Budget amounts include VAT and reserves whilst in GRAP; VAT is accounted for in accounts receivable and reserves under cash in cash flow

Transfer Recognised (Operating) – Budget reflects only the operating grants whilst actual outcome includes both operating and capital grants received

Income from Agency Services – Commission from garnishee orders was not budgeted for

5.7 Capital Spending on 5 Largest Projects

The table below illustrates capital expenditure of five largest projects implemented during 2017/18 financial year:

Name of Project	2017/18 Financial Year			Variance
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)
Mthatha Regional Water Supply - Thornhill to Mqanduli	28,156,803	0	50,287,285	-79%
Ngqeleni & Libode Corridor	48,449,790	0	191,214,716	-295%
Coffee Bay Regional Water Supply	15,115,337	0	29,849,434	-97%
Tsolo Sewer	75,513,829	0	51,783,783	31%
Port St Johns Regional Water Supply - Phase 5	18,046,626	0	11,138,458	38%

Name of Project - A	Mthatha Regional Water Supply - Thornhill to Mqanduli
Objective of Project	To provide primary bulk water infrastructure to KSD communities in Mthatha and Mqanduli towns and villages
Delays	Supply of material
Future Challenges	Do not foresee future challenges as yet
Anticipated citizen benefits	52529 Households
Name of Project - B	Ngqeleni & Libode Corridor
Objective of Project	To provide primary bulk water infrastructure to Ngqeleni and Libode towns and villages
Delays	Supply of material, land claims, as well as a challenge of kids that drowned in the trenches
Future Challenges	delay in the resolution of land claims
Anticipated citizen benefits	27461 Households
Name of Project - C	Coffee Bay Regional Water Supply
Objective of Project	To provide water to villages of KSD ward 24 and 25
Delays	Approval of additional funding by COGTA
Future Challenges	Do not foresee future challenges as yet
Anticipated citizen benefits	4647 Households
Name of Project - D	Tsolo Sewer
Objective of Project	To construct waste water treatment work to service Tsolo town and future development of Tso junction
Delays	Nonperformance of the service provider
Future Challenges	Do not foresee future challenges as yet
Anticipated citizen benefits	5047 Households
Name of Project - E	Port St Johns Regional Water Supply - Phase 5
Objective of Project	To provide water to communities of ward 12

Delays	The project started late due to levels of water
Future Challenges	More high levels of water
Anticipated citizen benefits	7733 Households

5.8 Basic Service and Infrastructure Backlogs - Overview

All five the local municipalities, with the exception of Mhlontlo, show an increase in its population numbers. All five the LMs grow with regard to the number of households at a much faster rate than the Eastern Cape Province. In addition to this increase in the number of households, the average size per household steadily declines, not just in the district but also on a national level. The rate at which the household size diminishes in OR Tambo DM is also lower than the provincial average.

The increase of the population size in OR Tambo DM district is less because of people migrating into the region from elsewhere, compared to new births in households throughout the district and family members moving into the district or moving between households within the district and its municipalities. However a study undertaken by Global Insight in 2010 and the Community Survey 2016, suggests that population in the district will decline over the next decade. A key reason is migration from the district for economic reasons.

O.R. Tambo District housed 2.7% of the total South African population in 2016. Between 2011 and 2016, the population grew by 6.7%, which is close to the provincial growth rate of 6.6% in the same period. Ingquza Hill and KSD recorded the largest population growth rates of 8.9% and 8.1% between 2011 and 2016 respectively.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 Cash Flow

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis					
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Figures in Rand					
Cash Flow Statement					
Cash flows from operating activities					
Receipts					
Service Charges	185,245,530	-	185,245,530	125,029,361	(60,216,169)
Grants	1,834,775,000	-	1,834,775,000	1,713,088,451	(121,686,549)
Interest income	30,000,000	9,000,000	39,000,000	91,672,456	52,672,456
Other receipts	327,862,679	15,125,424	342,988,103	162,094,604	(180,893,499)
	2,377,883,209	24,125,424	2,402,008,633	2,091,884,872	(310,123,761)
Payments					
Employee related costs	(435,792,037)	(8,902,359)	(444,694,396)	(523,196,982)	(78,502,586)
Suppliers Paid	(638,026,714)	(17,319,858)	(655,346,572)	(580,881,114)	74,465,458
Grants and Subsidies paid	(33,404,203)	(4,100,000)	(37,504,203)	(159,815,257)	(122,311,054)
	(1,107,222,954)	(30,322,217)	(1,137,545,171)	(1,263,893,353)	(126,348,182)
Total receipts	2,377,883,209	24,125,424	2,402,008,633	2,091,884,872	(310,123,761)
Total payments	(1,107,222,954)	(30,322,217)	(1,137,545,171)	(1,263,893,353)	(126,348,182)
Net cash flows from operating activities	1,270,660,255	(6,196,793)	1,264,463,462	827,991,519	(436,471,943)
Cash flows from investing activities					
Purchase of property, plant and equipment	(1,250,897,525)	13,268,630	(1,237,628,895)	(859,220,221)	378,408,674
Cash flows from financing activities					
(Decrease) / Increase in Long-term receivables	-	-	-	(38,795,339)	(38,795,339)
Net increase/(decrease) in cash and cash equivalents	19,762,730	7,071,837	26,834,567	(70,024,041)	(96,858,608)
Cash and cash equivalents at the beginning of the year	513,455,098	-	513,455,098	253,798,300	(259,656,798)
Cash and cash equivalents at the end of the year	533,217,828	7,071,837	540,289,665	183,774,259	(356,515,406)

5.10 Borrowing and Investments

The District maintained its status of having no borrowings during the financial year.

With regards to investments, the district made cash investments during the financial and earned R153 million. The investments were made in the following institutions:

Institution	Amount
FNB	R9.6 Million
ABSA Bank	R2.8 Million
Standard Bank	R7.3 Million
Nedbank	R5.5 Million
Investec	R131 Million

5.11 Public Private Partnership

The District does not have any Public Private Partnerships.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 Supply Chain Management

The municipality has made a significant progress in developing and implementing the supply chain management policy and practices in compliance with the guidelines set out in the Supply Chain Management Regulations as well as the amended Preferential Procurement Regulations, 2017.

During the year under review, the municipality revised its Supply Chain Management Policy (SCMP) and aligned it with the amended Preferential Procurement Regulations, 2017. Included in the (SCMP) is the requirement that bidders who have been awarded tenders above R 30 million must sub-contract at least 30% of the value of the contract to various designated groups. Further in implementing the SCMP the municipality adheres to the requirements of trading only with people who are registered in the central supplier data base of the National Treasury.

Internal controls have also been strengthened by developing check list for compliance with SCM regulations in procurement. During the year under review, the municipality conducted various workshops in the local municipalities where SMME's where taken through the requirements that they need to comply with in order to benefit in the supply chain processes of the municipality.

The municipality is also participating in the transversal contract that have been entered to between National Treasury and various service providers. Participation in such contracts ensures that the risk of non compliance with SCM regulations are minimised and that there is value for money in

procurement. Other procurement strategies have also been implemented such a appointment of term contract to ensure that the turnaround in procurement processes are minimised.

As part of its strategic improvement goal in reducing irregular expenditure, the municipality has abandoned the use of regulation 32 of the SCM regulations and has further reduced the use of regulation 36 of the SCM regulations.

All bid committees of the municipality are fully compliant to the requirements of regulations 27, 28 and 29 of the municipal supply chain management regulations.

The CFO as the head of the Budget and Treasury Office has fully achieved the minimum competency levels as required by regulation 5 of the Minimum Regulations on Minimum Competency Levels. A total number of four SCM officials have reached the prescribed levels of the minimum competency levels as per the MFMA Competency Regulations and Guidelines.

Currently the manager supply chain management unit is only left with three (3) modules to be fully compliant with the requirements of regulation 12 of the Minimum Regulations on Minimum Competency Levels.

5.13 Generally Recognised Accounting Practice (GRAP) Compliance

GRAP it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The Municipality is fully GRAP compliant. The current year accounting framework is consistent with the previous year. The requirements as per the Accounting Standards Board have been taken into consideration to the improved Standards of GRAP.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 1

6.1 Auditor General Reports Year (2016/17)

6.2 Auditor General Report Year (2017/18)

APPENDICES

APPENDIX A – COUNCILLORS: COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

APPENDICE B – COMMITTEE AND COMMITTEE PURPOSES

APPENDIX C- THIRD TIER ADMINISTRATIVE STRUCTURE

APPENDIX D – FUNCTIONS OF MUNICIPALITY/ ENTITY

APPENDIX E & F WARD REPORTING & INFORMATION

APPENDIX G – REPORT OF THE MUNICIPAL AUDIT COMMITTEE

APPENDIX H- LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

APPENDIX I- SERVICE PROVIDER PERFORMANCE SCHEDULE

APPENDIX J- DISCLOSURE OF FINANCIAL INTERESTS

The Municipal Manager and Section 56 Managers had no financial interests during the financial year 2017/18.

APPENDIX K- REVENUE COLLECTION PERFORMANCE (BY VOTE AND SOURCE)

APPENDIX L- CONDITIONAL GRANTS RECEIVED (EXCLUDING MIG)

**APPENDIX M- CAPITAL EXPENDITURE: NEW & UPGRADE RENEWAL PROGRAMMES:
INCLUDING MIG & NEW**

APPENDIX N & O - CAPITAL PROGRAMMES BY PROJECT CURRENT YEAR

APPENDIX P- SERVICE CONNECTION BACKLOG AT SCHOOLS AND CLINICS

APPENDIX Q- SERVICE BACKLOG EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

APPENDIX R- DECLARATIONS OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

APPENDIX S- DECLARATION OF RETURNS NOT MADE IN DUE TIME MFMA S71

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